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MARKETING & MEDIA DECISIONS

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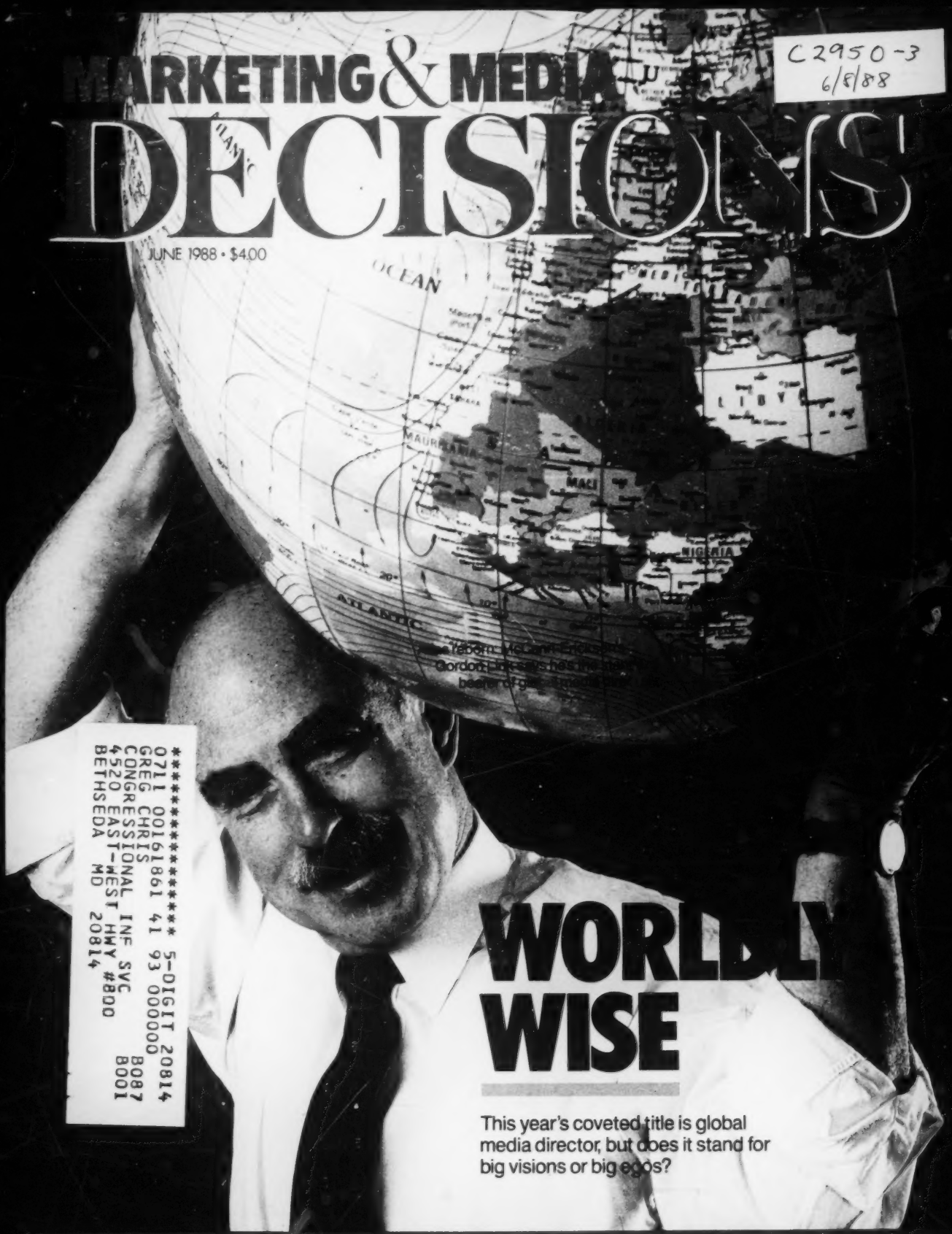

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WORLDLY WISE

This year's coveted title is global media director, but does it stand for big visions or big egos?

NEWSPAPER BRAND LEADERS • COOKIN' WITH KRAFT • CUSTOM PUBLISHING

MARKETING & MEDIA DECISIONS

COVER STORY

THEY'VE GOT THE WHOLE WORLD . . . 54

It's World War III as major agencies argue over which was first to create media's new top title, global media director. They obviously agree on one thing: Tomorrow's top agencies will be those that can carry the whole world in their plans.

FEATURES

BUDDY, CAN YOU SPARE A JOB? 35

Pity this year's college grad. While seasoned planning talent is finding an open door, the job outlook for entry-level candidates is grim. *Decisions* surveys the job scene and polls the big agencies around the country on their media hiring plans.

DO-IT-YOURSELF PUBLISHING 39

Despite high costs and soft research, Xerox, Chevrolet, Merrill Lynch and Johnson & Johnson are among the marketers that feel custom-made magazines are worth the investment.

THE WHIZ-ZARDS OF KRAFT 48

The creators of Cheez Whiz are moving back into the kitchen to concentrate on their strength: cooking up new and better food-marketing success stories.

SPECIAL REPORT: THE 1987 NEWSPAPER BRAND LEADERS 65

It was a solid year for newspapers, but publishers are going to have to continue working double-time to assure continued growth. The latest trends and tactics of the oldest medium are examined, and the year in numbers, based on Media Records' annual report, is analyzed. Included are the top 100 corporate advertisers, five-year investment histories of the top three brands in each of 50 national advertising categories and total investments, 1987 versus 1986, for 37 categories and 90 sub-categories. Also, automotive, cigarette and travel spending are examined in depth.

ROLLING WITH THE POSTAL PUNCH 99

Ouch! No one felt the bruising of the big postal-rate jumps as much as direct marketers. While they left some scrambling for survival, they also led many to new ways of doing business.

BRAND REPORT 153: COOKIES & CRACKERS 123

Sales of cookies and crackers have grown at an annual rate of 11.7% since 1982, but there have been a few broken bits along the way. ("Brand Report Index," pg. 140.)

DEPARTMENTS

PRO FILES 4

Bristol-Myers moves a marketing man into the president's office, and a 25-year Young & Rubicam veteran takes the spotlight in that mega-shop's media department.

UPDATE 10

As Percy takes his tentative first steps, the ratings race shifts gears to commercials. Also, the cruise industry launches on tv in a big way.

PRINT BEAT 17

What college kids read . . . New York Woman calls for more retailers . . . evaluating magazines in public places . . . newspaper ad rates rose more slowly last year.

DEBUT 22

Second Wind will demonstrate that life indeed begins at 40, and the International Advertising Association's magazine is in search of some advertising of its own.

DIRECT MARKETING 24

After adding in its Eicoff division, Ogilvy & Mather Direct moves to the top of the direct-marketing-agency scorecard.

FREEZE FRAME 28

In Los Angeles, it's pool talk of another sort as cable players unite for a marketing and promotion campaign to bring in subscribers and keep them tuned in. Also, a cable-investor profile: Thompson Medical.

CREATIVE CONCEPTS 30

If at first you *do* succeed, it may be time to try again. Several new campaigns have returned to old-faithful creative and succeeded in touching a nostalgic nerve.

June 1988, Vol. 23, No. 6

Cover photograph by Adam Chinitz

BROADCAST BEAT 143

Beware the fall . . . Drug PSAs come up short on media goals . . . Radio, an anti-inflationary buy . . . Late Night goes to the movies.

BOOKS, ETC. 146

Thomas Kuczmarski's *Managing New Products* offers a no-nonsense analysis of this riskiest of marketing ventures. But be prepared for a bit of a slog.

TOOLS OF THE TRADE 148

The Conquest data system has made one conquest of its own: Alok Brara of J. Walter Thompson.

SALES PROMOTION 152

Promotion's champion, the free-standing insert, still reigns, but mailers are busy offering targeted options.

ON THE DOCKET 154

Two new ad councils, one formed by existing groups, are adding their voices on advertising issues.

ECONOMIC EYE 158

The Media Cost Index, magazine category spending and an Olympic-size pull on primetime :30s

LAST WORD 160

John Graham finds it ironic that, as global marketing becomes a reality, marketing education is failing to teach its language — literally.

AS THEY SEE IT

MEDIOLOGY *Ed Papazian* 105

For radio, the problem is lowly image with marketing/brand management.

MAGAZINES *Ron Lawrence* 106

The price readers pay to get a magazine puts a new spin on assessing its value to advertisers. There's a formula to aid the cause.

TELEVISION *David Lerner* 112

In Part I of his analysis of network-viewer erosion, Lerner assesses the challenges and the options that are facing tv's Big Three.

BUSINESS-TO-BUSINESS *Dave Williamson* 116

The food-service industry has taken a giant step forward with its syndicated research effort.

PLANNING *Joan Gugliotta* 118

Some simple creative guidelines can help your plan stand out from the crowd.

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DIRECT MARKETING

by Rebecca Fannin

O&M HOPS DIRECTLY TO THE TOP

The race to be the largest direct marketing agency has heated up anew with the recent release of 1987 direct-response billings by the Direct Marketing Association. In the ranking, which is based on agencies reporting fees and commissions only, Ogilvy & Mather Direct leapfrogged past Wunderman Worldwide to claim the top spot with $260 million in revenues. But Wunderman, a Young & Rubicam subsidiary, is very close behind with $259.9 million.

Another interesting twist: With this release, O&M has restated its 1986 results to incorporate its A. Eicoff & Co. division so that it also boasts the pinnacle position that year. O&M Direct's new figure for 1986 is $240 million, not the earlier reported $207 million. Wunderman, as a point of reference, reported $224 million for 1986 billings.

The ranking for third place proved newsworthy too. With the acquisition of Krupp/Taylor USA, which was merged with Foote, Cone & Belding Direct, FCB moves way up to third from eighth position during 1986. Its billing soared nearly $100 million to $177 million in 1987.

Among the top 10 direct marketing agencies, according to the DMA, there is only one not affiliated with a major advertising agency. That direct-response agency Barry Blau & Partners Inc., while squeezing billings up $10 million to $74 million, actually slipped in the rankings from eighth to ninth position.

Among those that were bumped aside, Huntsinger & Jeffer, Inc. failed to maintain its ranking among the top 25 largest direct-response shops. Huntsinger has moved back six notches to 31st place, with a slight billings decrease from $15.5 million in 1986 to $14.1 million.

And Saatchi & Saatchi DFS Direct also fell out of the top 25 listing. During 1986, it boasted 21st place with $17.9 million in billings. Last year, the Saatchi affiliation came in 35th and had $13.1 million in billings.

New to the top 25 listing this year are Direct Inc. at $20 million, Cramer-Krasselt/Direct at $16.8 million and Clark Direct Marketing at $16.7 million.

Meanwhile, the billings required to make the top 25 increased to $16.8 million. For 1986, the figure was $15.5 million.

Among a second group of direct-marketing agencies that report internal production revenues as part of their total billings, the Direct Marketing Group maintained its number-one position in 1987 with $149.8 million. The Direct Marketing Agency had a slight billings slip to $55.3 million but still hung on to its second-place finish.

Direct Response Advertising Agencies U.S. Gross Billings

AGENCIES REPORTING FEES AND COMMISSIONS ONLY	BILLINGS (IN MILLIONS) 1987	1986+
1 Ogilvy & Mather Direct	260.0	240.0
2 Wunderman Worldwide	259.9	224.5
3 Foote, Cone & Belding (1) (2)	176.7	N/A
4 Marcoa Dr Group, Inc.	119.2	110.0
5 Grey Direct International (3)	103.0	94.0
6 Rapp & Collins USA, Inc. (1)	101.4	80.1
7 Kobs & Brady Advertising, Inc.	85.3	81.8
8 Chapman/Stone & Adler, Inc.	75.0	97.0
9 Barry Blau & Partners, Inc.	74.3	63.0
10 McCaffrey & McCall Direct Marketing	64.3	51.5
11 Omni Marketing Inc.	57.0	46.0
12 McCann Direct (4)	54.6	41.8
13 Lowe Marschalk Direct Marketing	51.0	41.2
14 GSP Marketing Services	41.7	34.4
15 Bozell, Jacobs, Kenyon & Eckhardt Direct	40.1	36.7
16 Ayer Direct, a Division of NW Ayer Inc.	33.4	37.0
17 Gillespie Advertising, Inc.	28.5	24.5
18 Lawrence Butner Advertising, Inc.	27.2	24.3
19 Lintas Voss Campbell Ewald Ceco	26.5	25.8
20 Karl Rove & Company	23.3	16.8
21 J. Walter Thompson Direct	22.9	21.7
22 Direct Inc.	20.2	15.3
23 Ketchum Direct	20.0	25.0
24 Manus Direct Response Marketing	18.0	11.5
25 Cramer Krasselt/Direct	16.8	10.7

• Audit available on reported figures
1) Does not include internal production revenue
2) 1987 merger, no figures available for 1986
3) 1986 includes Minnesota, 1987 does not
4) 1986 NY only

Source: Direct Marketing Assn.

BUDDY, CAN YOU SPARE A JOB?

While seasoned talent is in demand, new grads will have a tough time getting in the media-department door this year.

by David Kalish

PHOTOGRAPH BY MARIA FERRARI/GRAPHIC BY DAVE SPERANZA

Now's the payoff: After four long years of all-night study marathons and bottomless mugs of coffee, America's newest crop of college graduates has earned the right to toss their mortar boards in the air and let everyone know that, yes, they are now available to solve the world's problems.

But for job candidates bound for the agency media business, the congratulations may be a bit premature. Ad agencies, stung by tight clients and a business climate that encourages conservative hiring practices, are increasingly filing entry-level résumés in dust-covered folders marked "future reference."

"The major agencies responsible for most entry-level jobs probably will continue to curtail their hiring across the board," says Susan Lilley of Glass & Lilley, a New York-based recruitment firm. "Now it's particularly difficult because the top 10 agencies have always hired the most."

That scenario is borne out by a recent *Marketing & Media Decisions* survey of top advertising agencies across the country. Roughly one third of the big-billing agency offices — where most of the hiring takes place — said, compared to last year, they are hiring fewer June college graduates for their media departments. Overall, while a smattering of the total 85 responding shops report hiring more entry-level media candidates, the best the vast majority can say is they are maintaining current staff levels.

The two most oft-cited reasons for the downturn are a less-than-hospitable economy and continued fall-out from merged agencies that, amid client defections and redundant services, are trimming staff and consolidating departments. The hiring curtailment is especially pointed in New York City, where the merger wave and ripples from the October stock-market crash continue to dampen job prospects. "It's tough out there for people just coming out of school," sympathizes Howard Nass, senior vice president and group media director at N W Ayer in New York. "Because of the mergers and the number of people they put out of work, there's a reluctance among people to leave their jobs."

There's simply less room at the bottom. Unnerved by horror tales of veteran coworkers pounding the pavement, middle-level media employees are just thankful they still have a job. Characteristically, employees at Young & Rubicam's 250-member media department in New York seem to be doing everything short of chaining their personal calculators to their desks. "Turnover has not been nearly as great in the first three months of this year as in the past," says Y&R's Gary Pranzo, executive vice president and director of communications services.

Roger Bumstead, senior vice president in charge of media services at Jerry Fields Associates in New York, offers this warning: "Anybody in New York would be smart to think twice about staying — go to Philadelphia, Cleveland, Chicago, Detroit or Los Angeles, any top 50 ADI other than New York. There's much more activity outside New York among the mid-sized regional players."

Conversely, while this may not be the best of times for newcomers to the job market, agencies say when it comes to qualified senior-level media people, they simply can't find enough. Roughly 33% of the $100-million-plus-billing shops in the *M&MD* survey said they plan to hire more media buyers, planners and researchers this year. Yet it sounds easier than it actually is: Agencies across the board are having a tough time attracting qualified management candidates, observers note. "I have a $60,000 time-buying specialist opening and have had but one response for the job," complains Bumstead. "There's nobody around. The people who are good at it are employed and well-paid."

There's an equally sad side to the hiring outlook: jittery employees who decide they can't take it anymore. "If anything, people have been leaving the industry at the planner level, seeing that there isn't long-term potential in the industry," insists Lilley, who notes there is a dire need for such employees. "They're re-evaluating their careers in the advertising business."

Some say the skewed job situation in some ways gets worse outside the major job markets of New York and Chicago. "New York is far and away ahead of the West Coast" in paying top salaries, explains Laura Murphy of Baeder Murphy Chiu, a recruitment firm based in Los Angeles. A shortage of qualified West Coast candidates is rampant among planning positions, which unlike senior-level spots are not considered worth the expense of recruiting all the way from New York.

Of course, that news is welcome for middle-level job prospectors. For one, Los Angeles agencies are trying to bring their salaries in line with their counterparts in the Northeast. Recruiters note that salaries for job newcomers on both coasts range from $10,000-17,000, with media planners generally earning from $15,000-30,000. Salaries for middle managers top out at $50,000, while associate media directors can earn double that. Media director spots, for which qualified candidates are the toughest to attract, often command bulging six-figure salaries.

For entry-level candidates around the country, if it wasn't for opportunities at some of the larger mid-sized shops, the employment picture would be downright dismal. Experts say these agencies are doing a disproportionate amount of the hiring, thanks in part to the defection from mega-agencies of clients seeking to avoid conflicts.

For example, plans at Hill, Holliday, Connors, Cosmopulos in Boston, a $250 million shop, include beefing up the agency's 40-person media department by 10% to 15% this year. In addition, media salaries have been bolstered to bring them more in line with other HHCC departments. "We want to make it as attractive as possible," explains associate media director Rowena Alston. "We are growing as a result of new billings."

Still — and this should come as no surprise — the vast majority of hiring continues to be done by the larger agencies. While roughly the same number of under-$100 million shops responded to our survey as did shops in the $100-

New York recruiter Lilley predicts slim pickings for this year's graduates.

THE MEDIA EMPLOYMENT PICTURE

Mega-mergers. The PC. In-house media departments. Buying services. Multiplying media options. Declining ad dollars. Increased promotion spending. These and other influences are shaping the job outlook for media professionals at America's ad agencies. *Decisions* polled media directors around the country to put the media career picture in focus.
(Base = 85 agencies)

1. What are the approximate billings of your shop?

Under $10 million	2.4%
$10-50 million	25.9%
$50-100 million	17.7%
$100-500 million	47.1%
Over $500 million	5.9%
No response	1.2%

2. How many people are employed in your media department?

1-5	22.4%
6-10	16.5%
11-20	11.8%
21-50	31.8%
Over 50	17.7%

3. In which region is your agency located?

Northeast	44.7%
Southeast	10.6%
Midwest	29.4%
South	0
Southwest	3.5%
West Coast	7.1%
Multi/No response	4.7%

4. How many June graduates do you expect to hire for the media department this year?

0	40.0%
1	17.7%
2	16.5%
3	4.7%
4	3.5%
5	2.4%

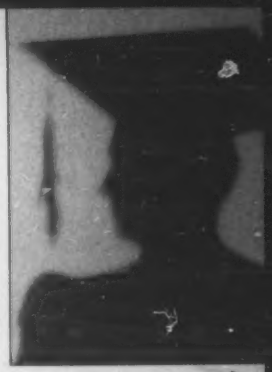
$500 million range, these smaller agencies plan to hire merely one-fifth the quantity of employees. Another finding bears out a geographic given: Most of the hiring is being done by agencies in the Northeast. In fact, Northeast media departments surveyed plan to hire roughly equal the number of workers as the total of those being sought by shops in all other regions of the country.

Burnett's Hadlock goes full speed ahead with hiring plans.

However, this should not diminish the significance of the industry's apparently surprising strength in economically stricken sections of the nation. Agencies in depressed oil-patch states say their area's business climate has yet to dramatically affect billings or hurt hiring plans. "The ad agencies are holding their own very well. Obviously budgets have been cut. Hiring might be on hold, not that I can see that affecting the media department," maintains Stan Poog, president of Stanley & Livingston, a Dallas-based recruitment firm. "Media has better job security than other departments," such as creative.

Echoes Tracy-Locke's Judy Miller, senior vice president of media buying, "You hear horror stories elsewhere. I'm not sure how much of it's true." With the Dallas shop's business spread around the country — clients include Taco Bell, Frito-Lay and Pepsi Bottling — billings are insulated against regional downturns. Says Miller, "We staff for the valleys, not the peaks."

In the Southeast, emboldened observers predict the resurfacing of hiring plans put on hold due to the unnerving advertising atmosphere. "They've been working very, very lean," notes Hugh Lovewell of Atlanta-based recruiter Lovewell & Associates. "Everyone's been sitting on their hands saying, 'How much worse can it get?' " That prediction may already be bearing fruit. Fully more than half of the southeast agencies polled said they plan to bolster the size of their media planning departments this year. Typical is Atlanta's McCann-Erickson, which just hired three new middle management people, thanks to an influx of billings, including new business from Coca-Cola, Bank South and the Tennessee Valley Authority. "The overall picture of the agency in Atlanta is very positive," boasts office manager Theresa Williams.



Entry-level positions aside, the situation is similarly upbeat in the Midwest. Roughly half of polled agencies in that region said they would increase their media-buying staff this year, with slightly fewer saying they would also beef up planning and research.

For newcomers, the outlook is far less promising. Yet there are bright spots. College graduates looking to crack the Chicago market are advised to apply to Leo Burnett, whose annual hiring goal of about 50-60 beginners remains unchanged this year. "Most of our [management] people are homegrown," says Willard Hadlock, executive vice president of media.

Of course, there's more than one way to crack a thick-shelled market. If you're truly set on breaking into media, the experts strongly advise a résumé listing some internships or other on-the-job experience. As Burnett's Hadlock says, "A school we're not running, a business we are." Should you be fortunate enough to land an interview, flaunt your enthusiasm: If the idea of juggling Arbitron ratings and Simmons surveys doesn't warm your blood, perhaps you're in the wrong business. Above all, learn to be proud of your persistence, fruitless though it may be — it doesn't hurt to clear a large space on your wall for those personalized rejection slips. ■

10 or more	5.9%
Unsure	9.4%
Compared to last year, this is:	
More	8.2%
Less	16.5%
Same	68.2%
No response	7.1%
5. At what starting salary do you plan to hire new employees?	
$10,000-$15,000	37.7%
$15,000-$20,000	50.6%
$20,000-$25,000	3.5%
More than $25,000	0
No response	8.2%
6. At what educational level will you hire most of your new employees?	
High-school degree	0
College undergraduate degree	88.2%
Graduate degree	7.1%
No response	4.7%
7. All other things being equal, which college graduate would you consider as a candidate first?	
Liberal Arts major	30.6%
Advertising major	54.1%
Business major	12.9%
Other	2.4%
8. What are your hiring plans in the following areas for the next six months?	
Media buying	
Increase staff	23.5%
Maintain staff	72.9%
Reduce staff	1.2%
No response	2.4%
Media planning	
Increase staff	32.9%
Maintain staff	63.5%
Reduce staff	1.2%
No response	2.4%
Media research	
Increase staff	12.9%
Maintain staff	82.4%
Reduce staff	1.2%
No response	3.5%

MARKETING & MEDIA DECISIONS

The 1987 Newspaper Brand Leaders

by Amy Alson

At newspaper industry gatherings this year, no word has been uttered more often or more purposefully than "flexibility." It seems that advertisers now are more willing to work with newspapers because newspapers are ready to work with them. Increased pricing flexibility, wider acceptance of standardized advertising positions and invoices as well as technical advances in the transmission of ads are among the new tools that the industry now has at its disposal. Says Bud Shields, newspaper-buying supervisor at Lintas:Campbell Ewald in Warren, Mich., of newspapers: "They are becoming easier to use all the time."

Yet the business still is haunted by cries of past years. In a survey of 75 leading national-advertising decision makers, independently conducted by marketing consultant Bill Weibacher for the industry's Future of Advertising project, the consensus was that newspapers cost too much, are too hard to use and are difficult to evaluate.

The apparent difference this year is that publishers are trying to work together to change that perception, and [illegible] some good effect. Newspapers' share of the nearly $110 billion spent on advertising last year was 26.8%, or $29.4 billion, up 9% from $27 million, or 26.4% share of the $102 billion total in 1986. The rise ends several years of no growth in market-share, according to figures compiled by the Newspaper Advertising Bureau, Inc. (NAB). Total circulation also increased slightly, to 63 billion, after two years of decline.

Of the $29.4 billion industry ad total, classified continued to show the fastest growth, with a 15% gain to $10.7 billion. Retail advertising rose 6%, to $15.2 billion, while national advertising was up only 4% to $3.5 billion. Newspapers' share of national

ad dollars, however, jumped to 11% in 1987 from 6% in 1986, according to the NAB.

A continued market-share gain for newspapers in 1988 is less certain. The other media are attacking in areas that have been newspapers' strongest source of revenues. Classified-advertising profits, for example, could be squeezed by aggressive publishers of free-standing inserts, and even by telephone companies' planned electronic directories, which could include classified as well as yellow-pages advertising. Other media are chasing local retail-advertising dollars after years of catering to national marketers.

1987 Newspaper Brand Leaders

Meanwhile, rising newsprint costs and aging production facilities impel publishers to invest in plant improvements or new production, distribution and delivery methods. The Eastern U.S. list price for a metric ton of newsprint rose to $610 from $570 last year, and on the first of this year, it rose to $650. Of the more than $3 billion spent on newspaper plant construction, improvements and facilities in the U.S. and Canada over the past three years, more than $1 billion was laid out in 1987, according to the American Newspaper Publishers Association (ANPA). Even the great gray lady of Gotham, the *New York Times*, plans to add ROP color to its Sunday edition by 1990, company president Walter Mattson told ANPA in April.

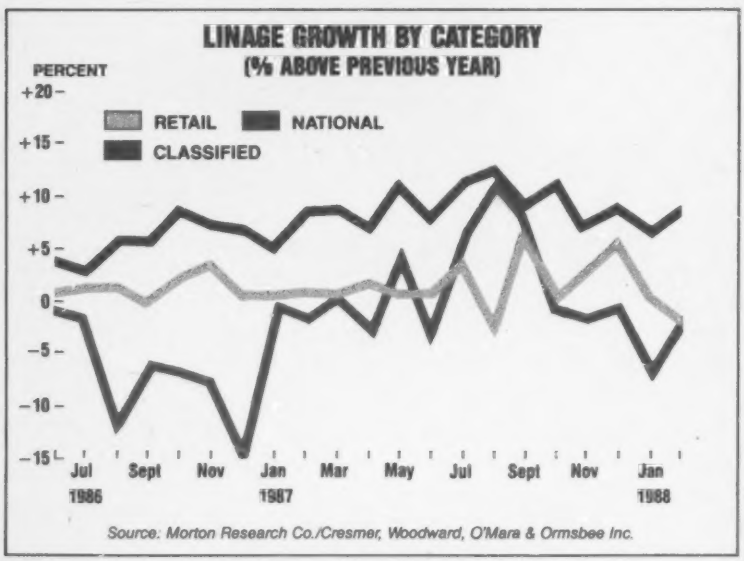
Craig C. Standen, president of the NAB, told the same annual meeting that for 1988 he anticipates slower growth for newspaper advertising, though it will continue to outpace "moderate but real growth" in the overall economy. The NAB estimates a total gain of 8% to $31.7 billion for newspapers in 1988, of total advertising expenditures exceeding $119 billion.

Standen adds that growth in retail advertising should continue at a 6% rate to $16.2 billion. National advertising is expected to gain faster and rack up a 7% increase for a $3.8 billion total revenues. Classified, meanwhile, will grow more slowly than last year, with a 9% growth increase to $11.7 billion, Standen says.

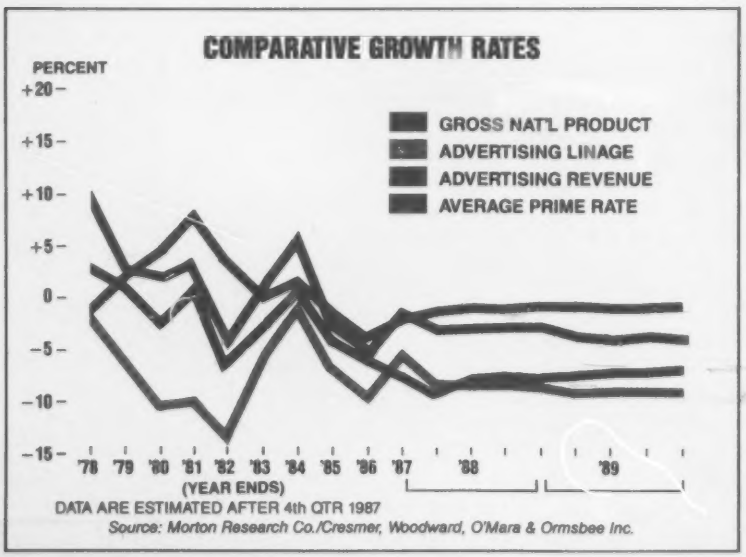
However, industry analyst John Morton of Lynch Jones & Ryan says in his spring report for Cresmer, Woodward, O'Mara & Ormsbee Inc., an independent newspaper advertising sales firm, "While the economy continues to show strength and retail sales have at least been respectable, newspaper performance has been soft" so far in 1988. He expects an overall volume increase of 3%, including preprinted inserts.

Based on a survey of newspaper companies representing nearly one-third of total national daily circulation, Morton says classified linage this year has grown only 6% to 8%, and retail linage is either flat or falling. He attributes the weakness in part to a reluctance to spend on advertising following the October 19 stock-market crash. Hurting retail advertising, he suggests, was management uncertainty at major department store chains as Campeau Corp. and R.H. Macy Co. battled for the operations of Federated Department Stores.

The newspaper industry's Future of Advertising committee's three-year-old effort to attract national advertising progresses slowly. FoA is a joint proj-



Source: Morton Research Co./Cresmer, Woodward, O'Mara & Ormsbee Inc.



Source: Morton Research Co./Cresmer, Woodward, O'Mara & Ormsbee Inc.

ect of the NAB and ANPA; its national-advertising project is guided by a Sales Structure Task Force organized into five "sales teams," each comprised of an NAB representative and a senior sales executive of an ANPA newspaper. Each team is assigned to a target account. On the bright side, a first commitment has been won: American Express Co. has agreed to place a national campaign in newspapers to promote its corporate credit card.

Not yet announced at press time, Federal Express of Memphis, Tenn., is believed to be the second major advertiser targeted by the FoA to agree, with its agency Fallon McElligott of Minneapolis, to use newspapers in a national campaign. Other FoA-targeted advertisers, not yet publicly identified, include one national brand marketer in each of the following industries: over-the-counter drugs, fast food and beer.

In addition to the FoA's drive, technical advances in the transmission of advertisements make it much easier for national marketers to use newspapers for national campaigns. Ad/Sat, a system that transmits ads by satellite, began operating in January, with a network of 114 newspapers nationwide. Ad/Sat enables advertisers to send a camera-ready ad to many newspapers, simultaneously, in minutes. Reproduction quality is very high, and the speedy delivery system is useful to time sensitive advertisers. Retailers including Lord & Taylor and Radio Shack are among Ad/Sat's regular customers.

In the retail department, which accounts for more than half of industry revenues, newspapers have mixed news to report. They have been losing business to low-CPM direct-mailers, like shared mail which combines multi-advertisers in one package. Mailers are a $1.1 billion industry, compared with newspapers' total local display billings of $15.5 billion. Local advertising on tv and radio combined garnered $12.6 billion. The publishers won a victory over the mailers in April, when the Post Office's new rate structure made third-class direct-mail advertising 26% more costly (see "Direct Marketing, May 1988, pg. 30).

But newspapers' high cost per thousand is one of the biggest disadvantages the medium's sellers face. The FoA Pricing and Positioning Task Force, headed by Jerome S. Tilis, president of the *Detroit Free Press*, has again recommended that newspapers adopt standard volume discounts for national advertisers. This year it said they also should adopt repeat rates over and above volume discounts for a limited time period to encourage continuity advertising and compete with broadcast "flighting," or serial-advertising campaigns. Tilis again encourages publishers to review their national/local rate differentials. According to the American Association of Advertising Agencies Inc.'s survey of 1,000 dailies, national advertisers in 1987 paid 66% more, on average, than local retailers, and the differential ranges from 46% at the small-circulation papers to 92% at the largest.

1987
Newspaper Brand Leaders

WHAT'S WRONG WITH THIS PICTURE?

(HINT: KANSAS CITY HAS BEEN OVERLOOKED)

Overlooked? We're used to it, even though we're a booming retail market, leaving places like New Orleans, Cincinnati, Milwaukee and Orlando waiting in line.

Even some major marketers have made the mistake of leaving out Kansas City when they make top 20 or 30 buys. But the ones who have looked closely at national rankings and at the vitality of the Kansas City market know better. They know that among other things, KC is a Top-30 performer in auto sales (#20), food & supermarket sales and purchases of petroleum products.

KC also places considerably above the national average in purchases of alcoholic beverages, appliances and insurance.

Once you've discovered KC, choosing the most effective ad medium is easy: It's The Star & Times. Our Sunday readership alone (753,000) humbles the competition. Weekdays, we reach two-thirds of households with $50,000+ incomes.

Before you put together your marketing plan, look closely: If you've overlooked Kansas City there's something wrong with that picture. Call our general advertising manager, Jack Hines, at 816-234-4179 today for more on the must-buy KC market.

Sources: SRP '87, National Planning Data Corp. and Belden Associates - represented nationally by Cresmer, Woodward, O'Mara & Ormsbee Inc.

CHECK THE SOURCE
The Kansas City Star & Times

Special rates also are recommended for important advertising categories that tend not to use newspapers much, like beer and over-the-counter drugs. Newspapers get less than 3% of the total ad dollars spent in these categories. Cutting rates in these areas can't hurt the industry, Tilis says: "After all, you can't lose what you don't have."

Buyers, too, are trying to create new discount windows. Bud Shields at Lintas:Campbell Ewald says he has informed major newspapers he deals with that he is interested in "highly discounted remnant space" left blank when an ad is cancelled late. The papers have responded by calling him when such space is available, Shields says. But he adds that it's difficult to take advantage of such low-cost space because it must be done quickly and none of the clients he services, including General Motors Corp. and Eastern Air Lines Inc., authorize him to make such last-minute buys without seeking approval first.

LET'S TALK SHOP

Recent syndicated studies clearly show that the St. Petersburg Times reaches more buyers in nearly every product category than Tampa Bay's second newspaper, the Tampa Tribune. We feel the numbers speak for themselves.

If your target audience is the people who buy your products, you need to talk shop with Tampa Bay's largest shopping medium — the St. Petersburg Times.

General Advertising 813-893-8249
Represented nationally by CWO&O

St. Petersburg Times — Tampa Bay's Best Shopping Medium

	Number of Metro Area Purchasers	% of Purchasers in Metro Area Who Read			
		Daily Times	Daily Tribune	Sunday Times	Sunday Tribune
Total Adults	1,510,100	**44%**	32%	**49%**	37%
New Car Buyers	701,100	**51%**	35%	**53%**	38%
Principal Food Buyer	946,900	**45%**	30%	**50%**	35%
Color TV Buyers	244,800	**42%**	35%	**46%**	40%
Men's Clothing Buyers	1,003,900	**45%**	35%	**50%**	40%
Women's Clothing Buyers	1,034,200	**45%**	33%	**51%**	38%

Source: Scarborough Research Corporation, The 1987 Scarborough Report.

St. Petersburg Times
Tampa Bay's Largest Newspaper

1987 Newspaper Brand Leaders

An advertiser-driven discount plan designed to attract national packaged-goods marketers was designed by Young & Rubicam in 1986. This year, the Newspaper Advertising Sales Association (NASA) has been steadfastly promoting such plans, now offered by about 280 newspapers, to 12 targeted, national packaged-goods marketers. Roy Blackfield, president of NASA and chairman of Sawyer-Ferguson-Walker, an independent newspaper representative firm, says among the 12 target advertisers, Seagrams is testing a campaign in newspapers offering packaged-goods rates on the West Coast. NASA reps were cautiously hopeful that a May 17 meeting with Nabisco could result in additional visible results.

On average, packaged-goods rates are 40% lower than national, but 25% higher than retail, and require a 13-time quarter-page minimum commitment. Steven L. Seraita, vice president, sales and marketing at Branham Newspaper Sales, also an independent representative firm, says, "Packaged-goods dollars are virtually non-existent, because there's not sufficient evidence that ROP works better than inserts."

Even an advocate of newspapers on the buy side, Bud Shields, says the food advertising he places goes primarily to free-standing inserts (FSIs). Lintas client Bil Mar Farms raises and processes turkeys for distribution reaching to the West Coast from its Michigan base. Bil Mar aims to build national distribution and is currently moving southward, Shields says. To introduce the brand to new markets, he says, FSIs offer "four-color, plus the coupon, and the cost [CPM]" is much lower than newspaper ROP.

In addition to focusing on cost concerns, publishers have responded to protests that newspapers are more difficult to use — and to use creatively — than other media. The most dramatic evidence of the industry's newfound flexibility is acceptance of the "island position" for certain ads. The NAB has been promoting the position, floated amid the New York Stock Ex-

change tables, for more than a year; 238 newspapers with total circulation of 18 million now take it, enabling marketers to place uniform national or targeted local buys. In March, National Car Rental Inc. became the first national advertiser to use the position, with a 16-market, nine-month campaign costing more than $2 million that was arranged by the NAB and National's agency, Chiat/Day Inc.

Other print media, meanwhile, intend to capitalize on newspapers' high basic CPM in their appeals to newspaper's longtime revenue base — local retailers and automobile dealerships and others with access to co-op ad funds. The McCall's/Working Woman Group, owned jointly by Time Inc. and Dale W. Lang, is selling metropolitan "spots" in four national magazines: *People, McCall's, Working Woman* and *Working Mother*. The venture, called ADI Networks, clearly targets women. The network's sales pitch stresses its cost advantage over metropolitan newspapers.

Newspaper sellers are aware that competing media are focusing on their

1987 Newspaper Brand Leaders

franchise with local markets. Instead of counter-attacking, Branham Newspaper Sales released in April a study conducted by Simmons Major Market Research Inc. of the "value added" by newspapers to spot-tv advertising. The study suggests the two media work better in tandem than either does alone, says Steve Seraita of Branham. It is the core of Branham's marketing strategy this year The company will place ads in non-client newspapers in order to complete an advertiser's local-market plan, Seraita says.

The classified section flourished last year, to be sure. Last fall, John Morton, industry analyst at Lynch, Jones & Ryan of Washington, D.C., called classified "the savior of many newspapers." At the same time, he expressed concern for the section's future growth: "Now that classified contributes nearly 40% of ad revenue, it has become the industry's Achilles' heel." If the economy slumbers, the hardest-hit categories are likely to be real-estate, help-wanted and automotive — the bulk of classified.

Standen of the NAB noted that in 1987 real-estate classified ad linage grew by 12% in the Northeast but fell 9% in the South, reflecting those region's economies and newspapers' dependency on them.

This year, publishers expect a big challenge to classified from phone companies' aggressive push into electronic information services, while cable and local-tv and free-standing inserts have already invaded this highly profitable turf with televised real-estate "showcases" and low-CPM vehicles such as "buying guides."

For newspapers, meanwhile, classified is becoming easier to place via new sources of funds and new technology. Co-op ad funds are increasingly eligible for use in classified sections. The NAB, with the Association of Newspaper Classified Advertising Managers (ANCAM) and the Newspaper Advertising Co-op Network, has been developing a comprehensive classified co-op sales program; a report of recommendations is due this month.

On the technology front, ANCAM designed a standardized classified ad format late last year that has been tested by the *Chicago Tribune* this year and will be recommended for approval by ANCAM this month. David Williams, classified ad manager for the *Trib* and chairman of ANCAM's committee for remote entry of classified ads, says that several dozen papers already accept remote-entry of classified ad copy, and software has been tested that enables users to convert ad copy to the ANCAM format and automatically transmit it to newspapers. In July, the standard will be introduced to the ad-sales community at the International Newspaper Advertising and Marketing Executive's conference in Toronto.

Broad acceptance of the standard classified format would be just one more demonstration of the newspaper publishers' recognition that, while they must compete among themselves, the toughest challenges come from other media. ■

FAIR'S FAIR . . .

national advertisers get the same volume discounts as local advertisers with no restrictions!

Now you can economically dominate the ONE-MILLION ADULTS IN THE COLUMBUS MSA WITH ALMOST $16-BILLION EFFECTIVE BUYING POWER as *The Dispatch* delivers

55% OF THE MSA ADULTS DAILY AND 73% ON SUNDAY.

For a new Rate Book, call National Advertising Manager Leonard Zane at (614) 461-5183. In Ohio, call toll-free 1-800-282-0263.

The Columbus Dispatch

Morning & Sunday

Represented nationally by
Cresmer, Woodward, O'Mara & Ormsbee, Inc.

AD-SAT SUNDAY

Source: Scarborough's 1987 Newspaper Audience Ratings Study

1987 Newspaper Brand Leaders

Rank	1987 Investments	1986 Investments
1. General Motors Corporation	$174,889,000	$146,430,000
2. Ford Motor Company	100,690,000	76,136,000
3. Chrysler Corporation	70,166,000	42,203,000
4. Texas Air Corporation	67,287,000	63,417,000
5. Philip Morris Companies, Inc.	49,740,000	57,589,000
6. AMR Corporation	36,195,000	25,194,000
7. American Telephone & Telegraph Co.	35,920,000	31,706,000
8. Allegis	29,368,000	26,900,000
9. Daimler-Benz, AG	28,415,000	23,340,000
10. Toyota Motor Sales Co., Ltd.	28,409,000	22,878,000
11. Honda Motor Co., Ltd.	25,536,000	21,087,000
12. Volkswagen, AG	25,141,000	15,914,000
13. Trans World Airlines, Inc.	24,365,000	29,329,000
14. U.S. Government	24,270,000	11,447,000
15. Mazda Motors of America (Central), Inc.	24,029,000	6,175,000
16. General Electric Company	22,816,000	26,986,000
17. Nissan Motor Co., Ltd.	22,375,000	17,627,000
18. Delta Air Lines, Inc.	22,011,000	22,309,000
19. Pan-American World Airways, Inc.	21,489,000	18,784,000
20. RJR/Nabisco	20,242,000	50,347,000
21. NYNEX Corporation	19,457,000	18,614,000
22. International Business Machines Corporation	18,915,000	16,646,000
23. CBS, Inc.	18,384,000	20,116,000
24. Southwest Airlines Company	17,573,000	14,153,000
25. Liberty Travel, Inc.	16,990,000	13,871,000
26. B.M.W. of North America, Inc.	16,143,000	10,924,000
27. Time, Inc.	15,551,000	13,951,000
28. American Express Company	14,278,000	13,498,000
29. MCI Communications Corporation	14,066,000	2,276,000
30. Hyundai Motor America	13,987,000	10,396,000
31. Franklin Mint Corporation	13,121,000	7,298,000
32. Fuji Heavy Industries, Ltd.	13,111,000	5,211,000
33. Jaguar Cars, Inc.	11,424,000	9,089,000
34. Anheuser-Busch Companies, Inc.	11,409,000	11,744,000
35. USAIR Group, Inc.	9,929,000	8,189,000
36. United Technologies Corporation	9,588,000	7,945,000
37. Brockway, Inc.	9,435,000	11,160,000
38. Carnival Cruise Lines	9,175,000	8,805,000
39. Alamo Rent-a-Car, Inc.	9,092,000	4,171,000
40. Hyatt Corporation	8,941,000	7,980,000
41. Ameritech	8,889,000	7,532,000
42. Capital Cities/ABC, Inc.	8,767,000	9,989,000
43. Apple Computer, Inc.	8,465,000	8,070,000
44. Bertelsmann, AG	8,347,000	3,755,000
45. B.A.T. Industries p.l.c.	8,344,000	5,139,000
46. Pepsico, Inc.	8,178,000	8,806,000
47. Cunard Line, Ltd.	8,083,000	5,467,000
48. Hallmark Cards, Inc.	7,897,000	1,470,000
49. PHH Group Company	7,858,000	4,568,000
50. Pleasant Hawaiian Holidays	7,601,000	6,847,000
51. Mitsubishi International Corp.	7,587,000	5,509,000
52. Isuzu Ltd.	7,454,000	7,339,000
53. Royal Caribbean Cruise Line, Inc.	7,331,000	7,175,000
54. NWA, Inc.	7,182,000	22,219,000
55. Transamerica Corporation	7,101,000	4,701,000
56. Club Med, Inc.	6,806,000	7,825,000
57. Fuqua Industries, Inc.	6,697,000	5,867,000
58. British Airways	6,632,000	12,019,000
59. American Brands, Inc.	6,613,000	10,260,000
60. Volvo North America Corp.	6,456,000	5,768,000
61. Mobil Corporation	6,366,000	7,912,000
62. Whirlpool Corporation	6,280,000	4,140,000
63. Grand Metropolitan p.l.c.	6,234,000	3,850,000
64. Admiral Cruises, Inc.	6,119,000	2,602,000
65. America West Airlines	5,978,000	2,625,000
66. Pacific Telesis Group	5,905,000	8,895,000
67. Commtron Corporation	5,874,000	694,000
68. Sitmar Cruises	5,812,000	3,672,000
69. Bell Atlantic Corporation	5,776,000	6,232,000
70. May Department Stores Company	5,722,000	9,856,000
71. Procter & Gamble Company	5,576,000	4,030,000
72. GTE Corporation	5,531,000	18,140,000
73. Hearst Corporation	5,518,000	4,492,000
74. Exxon Corporation	5,506,000	3,491,000
75. Coca-Cola Company	5,467,000	5,227,000
76. Sara Lee Corporation	5,360,000	1,881,000
77. Maytag Company	5,281,000	4,258,000
78. American Cellular Network Corp.	5,230,000	4,010,000
79. Norwegian Caribbean Lines	5,153,000	9,627,000
80. Costa Cruises	5,078,000	4,388,000
81. Walt Disney Company	5,040,000	3,835,000
82. Midway Airlines, Inc.	5,010,000	4,200,000
83. Blue Shield of California	4,882,000	4,149,000
84. Saab-Scania of America, Inc.	4,690,000	4,221,000
85. Bellsouth Corporation	4,645,000	6,370,000
86. MLT Vacations	4,635,000	4,867,000
87. Prudential Insurance Company of America	4,503,000	1,489,000
88. Estée Lauder, Inc.	4,392,000	3,658,000
89. Greyhound Corporation	4,324,000	5,196,000
90. Carlson Companies, Inc.	4,324,000	3,680,000
91. US West, Inc.	4,271,000	3,144,000
92. Bermuda Starline Inc.	4,215,000	689,000
93. Newhouse Publications	4,196,000	3,287,000
94. Seagram Company Ltd.	4,183,000	6,417,000
95. Zenith Electronics Corporation	4,168,000	949,000
96. Loews Corporation	4,010,000	8,114,000
97. Toro Company	3,988,000	3,613,000
98. Primerica Corporation	3,984,000	2,612,000
99. Gulf + Western, Inc.	3,974,000	2,938,000
100. Warner Communications, Inc.	3,932,000	3,150,000
Total top 100 newspaper advertisers	**$1,477,317,000**	

Source: Media Records

1987 Newspaper Brand Leaders

	1987	1986	1985	1984	1983
Advocacy groups					
The Beer Institute	$ 830,000	$ –	$ –	$ –	$ –
National Rifle Association	530,000	26,000	14,000	14,000	–
People for the American Way	393,000	96,000	126,000	189,000	–
Air conditioning					
Carrier	1,809,000	2,054,000	1,712,000	2,697,000	1,371,000
Freidrich	1,601,000	1,574,000	1,049,000	536,000	748,000
Bryant	956,000	298,000	1,130,000	704,000	349,000
Airlines – domestic carriers (foreign and domestic destinations)					
TWA	19,837,000	29,329,000	20,661,000	21,424,000	21,852,000
American	19,241,000	23,650,000	19,293,000	13,181,000	12,059,000
Continental	19,107,000	11,647,000	6,130,000	12,850,000	9,496,000
Airlines – foreign carriers					
British	6,632,000	12,019,000	3,703,000	3,662,000	3,075,000
Air France	2,977,000	2,119,000	1,648,000	2,118,000	1,275,000
Iberia	2,762,000	1,785,000	715,000	850,000	1,125,000
Amusements					
Disney	3,996,000	3,506,000	2,225,000	866,000	977,000
Soaring Adventures	1,648,000	1,189,000	287,000	15,000	–
Norwalk International Boat Show	350,000	309,000	130,000	69,000	–
Auto lease-rental					
Hertz	13,071,000	7,812,000	8,215,000	7,524,000	8,429,000
Alamo	9,005,000	4,157,000	4,180,000	1,775,000	170,000
Avis	7,656,000	4,568,000	5,178,000	5,053,000	3,655,000

1987 Newspaper Brand Leaders

	1987	1986	1985	1984	1983
Automobiles – domestic					
Ford	75,230,000	50,999,000	43,616,000	31,194,000	28,967,000
Chevrolet	71,698,000	49,417,000	46,641,000	35,305,000	21,992,000
Chrysler	34,848,000	23,331,000	22,846,000	15,531,000	14,168,000
Automobiles – imported					
Nissan	50,743,000	13,932,000	13,135,000	9,531,000	6,072,000
Toyota	28,402,000	22,866,000	17,915,000	10,736,000	11,095,000
Mercedez-Benz	28,270,000	23,337,000	17,865,000	6,495,000	6,586,000
Beers – domestic and imported					
Budweiser	6,109,000	5,360,000	2,836,000	2,003,000	2,141,000
Miller	4,263,000	5,659,000	1,925,000	1,279,000	1,556,000
Coors	1,341,000	1,232,000	1,467,000	539,000	990,000
Bus lines					
Greyhound	1,801,000	5,117,000	3,615,000	3,193,000	5,824,000
Dart	804,000	630,000	212,000	–	–
Metropolitan Transit	497,000	744,000	757,000	235,000	98,000

INTRIGUING PITTSBURGH...

RENEWED, RESOURCEFUL, REWARDING

Great things are happening. The economy is humming. Downtown boasts handsome additions to the skyline. An appealing two-level retail and restaurant facility in striking new 38 story Fifth Avenue Place is another attractive option for workers and suburbanites. Entertainment abounds in the revitalized area where restored Benedum Center offers opera, dance, theatre and pop music to supplement Heinz Hall's world-class symphonic fare.

Ranked third nationally as a corporate headquarters center, employees of major U.S. and internationally-involved firms enjoy the upscale lifestyle and cultural advantages this dynamic major U.S. market affords. Just as an example, two of the nation's top ten school systems are in the Pittsburgh suburbs of Fox Chapel and Mt. Lebanon.

In April, construction began on the first of three proposed shopping centers near Greater Pittsburgh International Airport. Robinson Town Centre plaza, a 600,000-square-foot retail strip, will have six anchor stores and 75 retailers. The $500 million Centre also will include an enclosed mall of 1.1 million square feet with at least four anchor stores and more than 100 retailers. When completed, the 540 acre complex, with about 300 merchants and 1.7 million square feet of selling space, would be the largest retail development in the country.

The Pittsburgh Press — SCRIPPS HOWARD — EVENING–SUNDAY

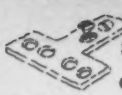
Pittsburgh Post-Gazette — MORNING

Nationally represented by Sawyer-Ferguson-Walker Co., Inc.

1987 Newspaper Brand Leaders

	1987	1986	1985	1984	1983
Cable tv					
HBO	4,347,000	4,738,000	4,023,000	3,747,000	1,460,000
ESPN	3,730,000	2,107,000	2,639,000	3,675,000	3,541,000
Cablevision	2,476,000	2,719,000	3,066,000	4,406,000	2,781,000
Cameras-photo supplies					
Kodak	1,993,000	3,150,000	2,578,000	3,595,000	5,105,000
Canon	1,655,000	438,000	539,000	2,088,000	428,000
Polaroid	1,530,000	1,760,000	538,000	1,253,000	1,923,000
Cereals					
Quaker	636,000	649,000	466,000	412,000	215,000
Ralston Purina	537,000	980,000	487,000	372,000	1,105,000
General Mills	281,000	183,000	489,000	613,000	1,746,000
Cigarettes					
Virginia Slims	12,657,000	1,691,000	13,793,000	6,215,000	4,241,000
Marlboro	11,650,000	9,927,000	29,064,000	29,328,000	11,062,000
Benson & Hedges	7,547,000	1,296,000	6,742,000	12,295,000	8,127,000

SEND YOUR TEE TO CHINA.



Exporting industrial tees and other equipment to China is a serious, profitable business. So, don't miss the boat. Call U.S. and Foreign Commercial Service at 1-800-343-4300* Operator 199.

Ad Council

*In Alaska call 1-800-331-1000

AMBITION

Buffalo's a market with ambition. A market that's healthy, hungry and upwardly. It's a market that's "on the go!"

If you haven't considered Buffalo and The Buffalo News — you're missing the route to almost 1.3 million adults and one of the best advertising buys in America.

The Buffalo News offers —

- A circulation area that's highly concentrated — every reader is close enough to be a potential consumer
- A 50% news hole that gives the reader more news for their money
- Advertising CPM's that are below average for markets this size
- Highest PMA coverage in the nation both daily and Sunday

New York State's 2nd largest market is on the go and too big to miss! Call Hugh G. Monaghan at (716)849-3422 for more information about The Buffalo News.

ON THE GO BUFFALO

THE BUFFALO NEWS

1987

Newspaper Brand Leaders

	1987	1986	1985	1984	1983
Cargo airlines					
UPS	928,000	22,000	919,000	–	159,000
Federal Express	880,000	332,000	3,258,000	3,587,000	896,000
DHL	521,000	1,610,000	374,000	10,000	–
Coffee					
Maxwell	449,000	806,000	2,397,000	112,000	681,000
Folger's	399,000	257,000	69,000	33,000	42,000
Taster's Choice	372,000	91,000	260,000	–	84,000
Computers					
IBM	15,591,000	14,384,000	28,703,000	33,014,000	7,786,000
Apple	8,434,000	7,864,000	8,139,000	8,026,000	5,123,000
Epson	3,866,000	7,796,000	5,975,000	9,744,000	7,237,000
Cosmetics					
Tova 9	2,410,000	2,356,000	2,301,000	1,878,000	1,939,000
Estée Lauder	1,166,000	893,000	823,000	631,000	679,000
Neutrogena	935,000	861,000	617,000	247,000	–

1987
Newspaper Brand Leaders

	1987	1986	1985	1984	1983
Couponers					
Valassis	187,124,000	169,452,000	129,958,000	99,256,000	61,735,000
Quad Inserts	114,914,000	69,619,000	67,526,000*	74,873,000*	56,738,000*
Market Showcase/Product Movers	96,971,000	123,114,000	109,419,000	79,569,000	36,230,000
(* Formerly Blair Inserts)					
Cruise lines					
Carnival	9,175,000	8,786,000	6,429,095	5,123,000	6,876,000
Cunard	8,083,000	5,467,000	8,791,000	9,519,000	4,947,000
Royal Caribbean	7,331,000	7,175,000	6,591,000	6,860,000	4,580,000
Farm/garden tools					
Snapper	6,695,000	5,867,000	4,930,000	3,835,000	3,799,000
Toro	3,959,000	3,609,000	3,502,000	3,007,000	2,887,000
Lawn Boy	2,432,000	2,740,000	2,071,000	1,446,000	980,000
Floor coverings					
Armstrong	2,910,000	3,657,000	4,141,000	777,000	959,000
Mannington	473,000	344,000	281,000	219,000	165,000
Tarkett	376,000	198,000	121,000	142,000	–

In the Minneapolis-St. Paul area, buy demographics, not geographics.

The Star Tribune announces the most cost-effective combination newspaper buy in the Twin Cities: one Sunday and one daily. A more efficient buy than a combination of the Star Tribune and St. Paul Pioneer Press Dispatch.

	Daily/Sunday Star Tribune Combination		Daily Star Tribune/St. Paul Pioneer Press Dispatch Combination
net reach:	66%	vs.	65%
frequency:	1.61	vs.	1.07
GRPs:	106	vs.	70

Star Tribune
NEWSPAPER OF THE TWIN CITIES

AD:SAT

Sources: Simmons 1987 and SRDS 2-12-88.
Represented nationally by Sawyer Ferguson Walker, Inc. National sales call 1-800-528-[illegible]

1987 Newspaper Brand Leaders

	1987	1986	1985	1984	1983
Fruit & vegetable juices					
Tropicana	1,942,000	952,000	252,000	496,000	974,000
Citrus Hill	717,000	430,000	–	21,000	34,000
Del Monte	613,000	–	246,000	22,000	–
Gas/oil					
Mobil	6,185,000	7,428,000	7,137,000	6,448,000	6,475,000
Exxon	5,506,000	3,491,000	2,742,000	1,711,000	1,808,000
Chevron	983,000	1,593,000	1,246,000	765,000	116,000
Government agencies					
U.S. Postal Service	11,548,000	3,926,000	3,915,000	3,433,000	3,078,000
U.S. Army	1,145,000	1,269,000	1,929,000	602,000	644,000
Immigration & Naturalization	883,000	–	–	–	–
Headache remedies and sedatives					
Tylenol	203,000	1,286,000	–	51,000	32,000
Medipren	102,000	–	–	–	–
Nuprin	84,000	71,000	32,000	649,000	–

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Ed Koch, Mayor
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AUTOMOTIVE FUELS NEWSPAPERS — AGAIN

Bloated auto-dealer inventories again fueled newspapers profits in 1987, as manufacturers continued to use incentives to draw consumers into showrooms and speed car sales. In advertising special car and truck financing plans and rebates, terms must be spelled out precisely and details may be changed on short notice. Newspapers seem to be the media vehicle of choice for such dealings.

William Tausch, vice president, automotive marketing at the Newspaper Advertising Bureau, says, "1987 has to be regarded as a continuation of what happened in 1986; manufacturers have found themselves in the incentives business. Inventory was way out of line at the end of 1987." Incentives can help balance supply and demand, Tausch adds.

Chrysler Motors vice chairman Ben Bidwell told the NAB early this year that, in 1987, Chrysler spent $100 million in print media, and $28.5 million of it went to newspapers. The company's 1987 overall print budget was up $8.5 million from 1986, but newspapers alone gained $10.5 million.

In the luxury segment, Mercedes-Benz traditionally is a heavy user of newspaper for its image-oriented campaigns. For 1988, Mercedes' strategy seems to emphasize regionalization, always good news for newspapers. The company and its dealers have set up a $18 million co-op fund for local marketing support, according to the NAB; newspapers get a nice share of co-op dollars.

A study prepared by the Advertising Checking Bureau shows newspapers as the top medium for auto aftermarket co-op programs. Of $98 million spent on 108 such programs in 1986, newspapers got 41%, including 28% in ROP and 13% in inserts. In 1987, Media Records says newspaper advertising of automotive accessories, parts and supplies hit $7.8 million, up from $7.1 million the previous year.

Automotive linage in newspapers is expected to remain heavy through 1988, says Tausch. Car sales for the first three months of this year exceeded manufacturers' expectations, and they revved up production for the second half of the year, he asserts, in order to ward against a year-end glut. "There is a reasonable chance that many if not all of the incentives will continue," he says.

Shields, who buys newspaper space for Lintas' Motown client, General Motors, confirms Tausch's expectations. He says, "The '88 model year has been continuing with incentive programs, and if it continues at this pace," newspaper advertising for the year could meet or exceed last year's record-high linage. "A lot depends on car-buying consumers," Shields adds. When car sales lag, newspapers gain. ■

NEWSPAPER AUTOMOTIVE DOLLARS— WHERE THEY COME FROM

Rank	Brand	1987 Newspaper Investment	Total 100% Trucks, Campers, Vans	Total 100% Autos	Percent of auto total (100%) from: Factory	Dealer Assns.	Local Dealers
1.	Ford	$75,230,000	15%	85%	24%	24%	52%
2.	Chevrolet	71,698,000	21	79	38	9	53
3.	Chrysler	34,848,000	0	100	55	3	42
4.	Toyota	28,403,000	7	93	12	3	85
5.	Mercedes-Benz	28,300,000	1	99	69	5	26
6.	Oldsmobile	27,473,000	0	100	51	11	38
7.	Dodge	24,522,000	17	83	39	5	56
8.	Mazda	24,026,000	11	89	64	12	24
9.	Nissan	22,340,000	2	98	22	4	74
10.	Cadillac	21,302,000	0	100	9	11	80
11.	General Motors	20,307,000	22	78	97	–	3
12.	Lincoln	19,703,000	0	100	54	7	39
13.	Pontiac	16,458,000	1	99	51	3	46
14.	BMW	15,639,000	0	100	55	3	42
15.	Buick	14,703,000	0	100	23	21	56
16.	Hyundai	13,906,000	0	100	6	1	93
17.	Subaru	12,854,000	0	100	49	19	32
18.	Honda	12,343,000	0	100	11	7	82
19.	Acura	11,748,000	0	100	26	19	55
20.	Jaguar	11,424,000	0	100	54	7	39
21.	Volkswagen	9,466,000	2	98	45	28	27
22.	Audi	8,414,000	0	100	56	23	21
23.	Isuzu	7,454,000	12	88	77	1	22
24.	Mitsubishi	7,146,000	6	94	12	4	84
25.	Volvo	6,413,000	1	99	29	19	52

Source: Media Records/*M&MD*

1987 Newspaper Brand Leaders

	1987	1986	1985	1984	1983
Insurance – health/life					
Blue Cross/Blue Shield	15,073,000	19,652,000	18,190,000	9,887,000	13,261,000
Cigna	3,530,000	2,021,000	1,064,000	1,215,000	933,000
Prudential	3,490,000	1,489,000	329,000	241,000	219,000
Jewelry/watches					
Seiko	1,098,000	3,089,000	3,466,000	5,163,000	1,252,000
Van Pler & Tissany	951,000	930,000	1,109,000	1,536,000	120,000
Movado	531,000	751,000	319,000	267,000	326,000
Lotteries					
Connecticut	589,000	731,000	347,000	222,000	262,000
New York State	434,000	1,010,000	1,317,000	702,000	793,000
Arizona	425,000	682,000	276,000	319,000	–
Liquors					
Seagram's (brand family)	3,021,000	3,304,000	4,332,000	5,694,000	1,516,000
Ballantine's Scotch	1,026,000	1,394,000	1,841,000	1,623,000	1,149,000
Absolut Vodka	858,000	641,000	585,000	1,281,000	984,000

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With a circulation of more than 211,000 the Austin American-Statesman reaches 81% of the 561,900 area adults with a Sunday issue.

	% OF TOTAL POPULATION	% OF MARKET REACHED
• $50,000+ household income	23%	89%
• Professionals and managers	26%	86%
• College graduates	32%	87%
• 18-34 year olds	51%	77%

For full details about the Austin market contact Roy Gordon, National Advertising Manager at (512) 445-3745.

Austin American-Statesman

AD SAT

Represented nationally by Sawyer-Ferguson-Walker.
Sources: ABC Publisher's Statement, March 1988.
1988 Scarborough Market Report.

1987 Newspaper Brand Leaders

	1987	1986	1985	1984	1983
Magazines					
Today's Chicago Woman	1,649,000	362,000	–	–	–
Readers Digest	1,250,000	453,000	476,000	135,000	261,000
Youth Beat	1,222,000	–	–	–	–
Mail order					
Franklin Mint	12,513,000	7,298,000	6,960,000	6,654,000	5,253,000
Shopping Mart	4,008,000	3,807,000	4,049,000	5,335,000	5,253,000
The Hamilton Collection	3,699,000	2,123,000	367,000	–	45,000
Meat/fish/poultry					
Perdue Chicken Products	2,726,000	3,397,000	923,000	417,000	739,000
Holly Farms Chicken Products	1,542,000	934,000	444,000	128,000	324,000
Bryan Meat Products	666,000	566,000	431,000	422,000	380,000
Newspapers					
Wall Street Journal	1,287,000	1,259,000	530,000	557,000	649,000
The Wine Spectator	653,000	625,000	496,000	67,000	–
Times Mirror Co.	598,000	1,120,000	138,000	403,000	–
Office equipment (minus computers)					
IBM	3,324,000	2,255,000	1,907,000	491,000	1,227,000
Canon	1,554,000	1,199,000	1,912,000	1,575,000	163,000
Xerox	1,263,000	5,012,000	8,882,000	7,819,000	12,892,000

TRAVEL FLIES LOW AND LOCAL

Last month, the Newspaper Advertising Bureau was busy assembling a presentation to major airline advertisers. It is considering establishing a formal, annual program to bring together high-ranking newspaper personnel with top executives at the airlines, similar to a program it now runs for automotive advertisers.

The problem is tangible: The NAB estimates total ad spending by the industry in eight measured media, approached $800 million in 1987, up from $748 million in 1986. Yet newspaper's share of that sum shrank to 40% last year from 45% in 1986.

Six airlines now represent 16 carriers, and though there are 100 airlines representing more than 140 carriers in the United States, the top 10 companies account for about 60% of the industry's total ad expenditures, says Tom Fitzpatrick, marketing manager at the NAB.

Domestic carriers trimmed newspaper advertising by 18.8%, while international carriers increased spending at a slower pace, adding 5.3% last year vs. 31% in 1986, according to Media Records. Only one foreign-owned carrier, British Airways, ranks in the top 10 among airline advertisers, but it spends a greater portion in newspapers — 54.9%, according to the NAB. Among the major domestic airlines, TWA and Texas Air are estimated to have put more than half of their 1987 ad spending in newspapers.

In '87, travel spending rose, but not for newspapers.

In the rental car category, meanwhile, the NAB made a splash by selling National and its agency, Chiat/Day Inc., on an island-position, nationwide newspaper campaign. "I targeted National because it had not done as much as the others in newspapers," says Mary Harris, vice president, travel industry category, at the NAB. Overall, major car-rental and leasing companies revved up their spending by 16.4%.

Hotel, motel and resort advertising rose 15.4%, to $244.3 million in 1987, hot on the heels of a 13.4% increase in 1986. But only a handful of companies are spending significantly, says Fitzpatrick. The NAB now is studying the resort hotel chains; it will target one to sell a national newspaper campaign to, as it did National Car Rental. ■

1987 Newspaper Brand Leaders

	1987	1986	1985	1984	1983
Paints					
Benjamin Moore	813,000	659,000	504,000	579,000	311,000
Sherwin-Williams	469,000	1,061,000	1,852,000	891,000	647,000
Olympic	373,000	373,000	1,131,000	55,000	71,000
Pet foods					
Purina	1,111,000	1,052,000	1,405,000	1,030,000	1,565,000
Hills Science	482,000	–	–	36,000	–
Iams	338,000	366,000	302,000	–	–
Phonograph records/tapes					
Columbia	6,347,000	8,819,000	10,211,000	10,274,000	7,959,000
Commtron	5,874,000	694,000	–	–	–
CBS	5,858,000	2,923,000	2,178,000	939,000	280,000
Prepared dishes					
On Cor	539,000	324,000	607,000	902,000	299,000
Stouffer	464,000	99,000	62,000	226,000	93,000
Weight Watchers	292,000	55,000	24,000	–	12,000
Public Utilities					
AT&T	33,978,000	30,098,000	49,565,000	47,865,000	23,610,000
MCI	14,066,000	2,276,000	1,488,000	3,491,000	743,000
New York Telephone	13,209,000	8,180,000	8,042,000	6,573,000	1,304,000
Radio/tv sets					
Zenith	1,411,000	897,000	1,220,000	1,602,000	963,000
RCA	808,000	1,643,000	1,427,000	6,391,000	3,936,000
Toshiba	522,000	89,000	36,000	156,000	219,000
Radio/tv stations					
NBC	6,988,000	8,094,000	9,852,000	10,067,000	7,816,000
CBS	6,126,000	7,811,000	9,113,000	9,649,000	6,695,000
HBO	4,347,000	4,731,000	4,020,000	2,747,000	1,459,000
Railroads					
Amtrak	4,985,000	3,800,000	6,756,000	9,505,000	5,979,000
Via Rail Canada	335,401	235,708	–	–	–
Long Island Railroad	314,000	191,730	230,000	71,000	–
Ranges/stoves/dishwashers					
General Electric	1,612,000	1,287,000	1,485,000	1,455,000	2,182,000
Kitchen Aid	793,000	2,424,000	3,139,000	1,750,000	766,000
Modern Maid	612,000	379,000	288,000	88,000	22,000
Soaps/cleansers/polishes					
Morton water softener	218,000	594,000	534,000	545,000	25,000
Cheer	267,000	48,000	–	–	–
Surf	206,000	698,000	308,000	16,933	13,906
Soft drinks (regular and diet)					
Pepsi Cola	5,875,000	6,239,000	4,323,000	3,268,000	5,198,000
Coca Cola*	4,020,000	4,108,000	5,644,000	3,893,000	4,267,000
Slice	1,538,000	2,419,000	1,102,000	187,000	–
(* Includes Cherry Coke)					

CIGARETTES — A DRAG ON ROP

Tobacco advertising in newspapers is pretty much going to ashes at a remarkably steady clip. In 1987, the medium's take of all cigarette-brand advertising dollars fell 34.4% from the year before, following a 37% decrease in 1986. And the numbers include preprinted inserts, which seem to get the bulk of cigarette linage in newspapers today.

At R.J. Reynolds Tobacco U.S.A., Now and More spent less in newspapers last year — 28% and 43% less, respectively, according to Media Records. Yet they still ranked among the five top-spending cigarette brands in the medium.

What's more, Dan Pearson, senior director media for the company says, "The major portion of their newspaper activity was in supplements, though some ROP is being used." He prefers supplements to ROP for "the color, the [lower] cost and the coverage."

Tobacco companies use newspapers chiefly for local test-marketing support, to get quick impact for brand introductions and for special promotions. Though Brown & Williamson had only begun test-marketing Capri in Louisiana in January 1987 (and it still gets limited distribution), the brand ranked sixth.

Three Philip Morris brands actually heavied up in newspapers to become the top cigarette advertisers last year. Mary Taylor, spokeswoman for the company, says Virginia Slims had line extensions to promote and Benson & Hedges introduced a new campaign. Marlboro, typically big in newspapers, will probably show increased spending again in 1988, Taylor says, since that line's mentholated cigarettes were reformulated.

On the flip side at PM, Players, which had led the pack in 1986 with a $15.3 million newspaper budget, spent less than 10% of that in 1987. The line was reformulated, repackaged and repositioned as a value-added brand, selling at "25 for the price of 20," Taylor says. Thus, advertising was cut sharply because "there isn't as much money in value-added brands," she explains.

Sara R. Ridgway, spokeswoman for Lorillard Inc., says, "We have never been heavy newspaper advertisers," relative to other tobacco companies. "It's a very expensive medium for our purposes." she explains, noting that, as national advertisers, cigarette manufacturers pay "more than 50% more than local advertisers." It's not a new complaint.

Newspaper advertising for Lorillard's Newport brand plummeted 73% in 1987, according to Media Records. Ridgway says that's business as usual: Outdoor is more effective than newspapers for reaching that brand's target audience, young adults. "When newspapers are used," she adds, "it's usually supplements or preprinted inserts." In 1988 so far, Lorillard's has one line extension, Newport Stripes. ■

NEWSPAPERS' TOP 20 SMOKES

1987 rank	Brand (manufacturer)	1987 investment	(vs. 1986)	1986 rank
1.	Virginia Slims (PM)	$12,656,952	(+648%)	16
2.	Marlboro (PM):	11,649,893	(+17%)	3
3.	Benson & Hedges (PM):	7,546,600	(+482%)	19
4.	Now (RJR)	6,241,497	(−28%)	5
5.	More (RJR):	5,319,546	(−43%)	4
6.	Capri (B&W):	4,102,376	(test)	NA
7.	Richland (B&W)	3,115,798	(−24%)	11
8.	Carlton (Amer):	3,055,735	(−50%)	8
9.	Parliament (PM)	2,765,713	(−62%)	7
10.	True (Lor)	2,407,156	(−51%)	10
11.	Pall Mall (Amer)	2,338,595	(+39%)	17
12.	Cambridge (PM):	2,174,570	(−73%)	6
13.	Ritz (RJR)	1,998,841	(−82%)	2
14.	Kent (Lor):	1,925,853	(+90%)	20
15.	Players (PM)	1,501,091	(−90%)	1
16.	Winston (RJR)	783,086	(−78%)	12
17.	Newport (Lor)	711,662	(−73%)	14
18.	Century (RJR)	584,241	(−91%)	9
19.	Barclay (B&W)	519,087	(+10%)	–
20.	Lucky Strikes (Amer)	505,356	(−32%)	–
	Total of Top 20:	$71,903,648	(−34%)	
	Top 20 represents 87% total, same as in 1986			
	All others:	10,536,352		
	Grand total:	$82,440,000	(−34.4%)	

Source: Media Records; Newspaper Advertising Bureau estimates
Manufacturer code: Amer – American Tobacco; B&W – Brown & Williamson (BAT); L&M – Ligget & Myers (Grandmet); Lor – Lorillard (Loews); PM – Philip Morris; RJR – Reynolds

1987 Newspaper Brand Leaders

	1987	1986	1985	1984	1983
Tours/travel services					
Liberty Travel	16,981,000	13,871,000	10,901,000	7,872,000	5,356,000
American Express	10,604,000	12,712,000	14,121,000	10,793,000	7,226,000
Pleasant Hawaiian Holidays	7,601,000	6,847,000	6,715,000	6,093,000	5,572,000
Trucks/campers/vans					
Chevy	15,662,000	4,661,000	4,355,000	2,630,000	1,481,000
Ford	11,419,000	4,769,000	4,116,000	3,328,000	2,747,000
Dodge	4,205,000	2,213,000	1,358,000	2,306,000	2,637,000
Wearing apparel					
Aris	2,973,000	212,000	240,000	222,000	74,000
Guess	1,618,000	717,000	–	–	–
Haggar	1,002,000	–	–	–	74,000
Wines/coolers					
Wines of Rioja	1,425,000	–	113,000	–	–
Matilda Bay Wine Cooler	1,189,000	–	–	–	–
Seagrams Cooler	246,000	595,000	301,000	–	–

Buy the wrong paper in Tampa Bay and you could be 20 years off target.

St. Petersburg Times
State starts fund for kids' transplants
THE TAMPA TRIBUNE
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The Tampa Tribune's average readers are in their 40's, and shopping.

The Times may show a slightly higher circulation, but look at the demographics. If your target is under 60, it's a one-paper buy.

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If you can't buy both papers, at least put your client where the buyers are: on target in The Tampa Tribune.

The Tampa Tribune
Tampa Bay's Newspaper

Contact Joe Gess at (813) 272-7447, or your nearest Sawyer-Ferguson-Walker Office.

Source: 1987 Scarborough Report

1987 Newspaper Brand Leaders

Classification	1987 (000)	1986 (000)	Percent change
AUTOMOTIVE			
Gasoline & Oil Companies	$21,257	$23,899	−11.1%
Leasing & Rentals	83,245	71,546	+16.4
Parts, Accessories & Supplies	8,403	7,188	+16.9
Passenger Cars (New)	798,286	622,866	+28.2
Trucks, Trailers & Mobile Homes	44,798	31,511	+42.2
Automotive Not Elsewhere Classified	2,034	1,424	+42.8
AUTOMOTIVE TOTAL	$958,023	$758,434	26.3
GENERAL			
Alcoholic Beverages	64 15	77,936	−17.0
Beers	26,743	27,614	−3.2
Wines	7,224	7,535	−4.1
Liquors	30,748	42,787	−28.1
Amusements	18,737	18,315	+2.3
Cameras, Photo Supplies & Services	12,283	13,017	−5.6
Computers, Equipment & Services	50,909	54,368	−6.4
Educational	68,557	62,972	+8.9
Farm & Garden	38,560	40,702	−5.3
Foods	137,562	138,555	−0.7
Baby Foods	366	305	+20.0
Bakery Goods	7,275	8,543	−14.8
Baking Mixes, Flour & Ingredients	457	1,280	−64.3
Beverages	39,353	42,536	−7.5
Coffee	3,620	3,557	+1.8
Tea	1,336	1,236	+8.1
Fruit & Vegetable Juices	6,578	4,727	+39.2
Soft Drinks-Carbonated Diet	2,225	2,842	−21.7
Soft Drinks-Carbonated Non-Diet	18,313	22,444	−18.4
Miscellaneous	7,281	7,730	−5.8
Cereals	2,334	2,470	−5.5
Condiments	5,276	7,557	−30.2
Confectionery & Snacks	4,886	4,606	+6.1
Dairy Products	17,338	19,341	−10.4
Desserts & Ingredients	390	562	−30.6
Fruits & Vegetables	5,611	5,244	+7.0
Macaroni Products-Uncooked	1,848	1,992	−7.2
Meats, Fish & Poultry	23,001	19,959	+15.2
Prepared Dinners & Dishes	6,513	6,794	−4.1
Shortenings, Oils & Margarines	3,662	1,906	+92.1
Soups	938	1,253	−25.1
Sugars, Syrups & Jellies	1,982	1,830	+8.3
Miscellaneous	16,332	12,377	+32.0
Franchise Offers	5,836	6,031	−3.2
Help Wanted	67,592	80,251	−15.8
Hotels & Motels	244,250	220,421	+10.8
Hotels, Motels & Resorts	193,511	167,621	+15.4
Resort Area Development	50,739	52,800	−3.9
Household Furniture & Furnishings	17,813	20,180	−11.7
Floor Coverings	4,529	5,777	−21.6
Furnishings	8,404	9,529	−11.8
Furniture	4,880	4,874	+0.1
Household Heating & Home Heating Equipment	14,781	10,838	+36.4
Electric, Gas & Oil Suppliers	609	666	−8.6
Heating & Plumbing Equipment	14,172	10,172	+39.3
Household Supplies	20,031	30,017	−33.3
Aluminum & Paper Products	799	2,455	−67.5
Disinfectants & Insecticides	712	1,327	−46.3
Home Building Materials & Tools	7,707	10,542	−26.9
Paints, Wall Coverings & Other Finishes	4,761	5,015	−5.1
Soaps, Cleansers & Polishes	3,295	6,030	−45.4
Miscellaneous	2,757	4,648	−40.7
Household Equipment & Appliances	85,384	69,711	+22.5
Air Conditioning	8,455	7,525	+12.4
Phonographs, Records, Tapes & Recorders	30,092	23,952	+25.6
Radio & TV Sets	3,893	4,796	−18.8
Ranges, Stoves & Dishwashers	5,220	6,011	−13.2
Refrigerators & Freezers	2,784	1,572	+77.1
Small Electrical Appliances	5,046	3,323	+51.9
Washers & Dryers	1,582	1,017	+55.6
Miscellaneous	28,312	21,515	+31.6
Industrial	59,053	59,774	−1.2
Aircraft & Equipment	2,083	2,904	−28.3
Industrial Area Development	5,966	7,833	−23.8
Office Equipment & Stationery Supplies	17,372	15,350	+13.2
Industrial Materials & Machinery	13,887	12,253	+13.3
Miscellaneous	19,745	21,434	−7.9
Insurance	68,798	89,456	−23.1
Life, Health & Medical	62,913	84,965	−26.0
Fire, Casualty & Other	5,885	4,491	+31.0
Jewelry, Watches & Silverware	6,691	9,253	−27.7
Mail Order	66,495	60,013	+10.8
Medical Products & Drugs	17,312	19,800	−12.6
Cold, Cough & Sinus Remedies	1,933	1,500	+28.9
Digestive Aids & Laxatives	2,095	826	+153.6
Headache Remedies & Sedatives	730	2,804	−74.0
Vitamins, Tonics & Reducing Aids	7,208	9,761	−26.2
Medicated Skin Products	470	337	+39.5
Miscellaneous	4,876	4,572	+6.6
Pets & Pet Supplies	6,592	5,638	+16.9
Pet Foods	4,210	3,482	+20.9
Pets & Pet Supplies	2,382	2,156	+10.5
Political	6,238	18,779	−66.8
Professional & Service	28,372	24,510	+15.8
Public Service Utilities & Communications	146,891	151,651	−3.1
Publishing & Media	261,486	241,969	+8.1
Books	47,727	43,071	+10.8
Magazines	25,492	26,026	−2.1
Newspapers	7,919	9,380	−15.6
Radio & TV Stations	180,348	163,492	+10.3

1987 Newspaper Brand Leaders

Classification	1987 (000)	1986 (000)	Percent change
Real Estate	94,924	70,227	+35.2
Sporting & Leisure Time Equipment	6,870	7,063	−2.7
Sporting Goods	4,083	4,500	−9.3
Boats & Equipment	686	543	+26.3
Hobbies, Toys & Games	2,101	2,020	+4.0
Tobacco	85,228	129,009	−33.9
Cigars	1,640	1,131	+45.0
Cigarettes	82,440	125,631	−34.4
Tobacco & Accessories	1,148	2,247	−48.9
Toiletries & Toilet Goods	26,678	24,522	+8.8
Cosmetics, Make-Up & Manicure Products	11,227	10,261	+9.4
Dental Supplies & Mouthwashes	2,973	1,200	+147.8
Feminine Hygienic Products	838	179	+368.2
Men's Toiletries & Hair Products	1,683	1,574	+6.9
Men's & Women's Shaving Equipment	279	375	−25.6
Perfumes & Toilet Water	1,521	1,514	+0.5
Toilet Soaps, Bath Powders & Deodorants	1,954	2,300	−15.0
Women's Hair Products & Treatments	2,162	4,198	−48.5
Miscellaneous	4,041	2,921	+38.3
Transportation	615,112	648,069	−5.1
Airlines	313,742	339,501	−7.6
Domestic	143,480	176,630	−18.8
International	167,326	158,948	+5.3
Cargo	2,936	3,923	−25.2
Bus Lines	6,967	10,934	−36.3
Railroads	6,537	7,502	−12.9
Steamships	91,556	91,198	+0.4
Tours & Travel Service	189,136	192,494	−1.7
Miscellaneous	7,174	6,440	+11.4
Wearing Apparel	26,784	26,705	+0.3
General Not Elsewhere Classified	459,230	471,512	−2.6
GENERAL TOTAL	**$2,829,764**	**$2,901,264**	**−2.5%**

Classifications projected to U.S. totals by Media Records ©1987

The full report is available from Media Records, Seven Penn Plaza, New York, N.Y. 10001. Prices are $1,375 for the full report; $205 to $400 for complete class breakouts; and $145 for a sub-class reading.

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POSTAL BLUES

The huge increase in postal rates has direct marketers scurrying for ways to save their businesses.

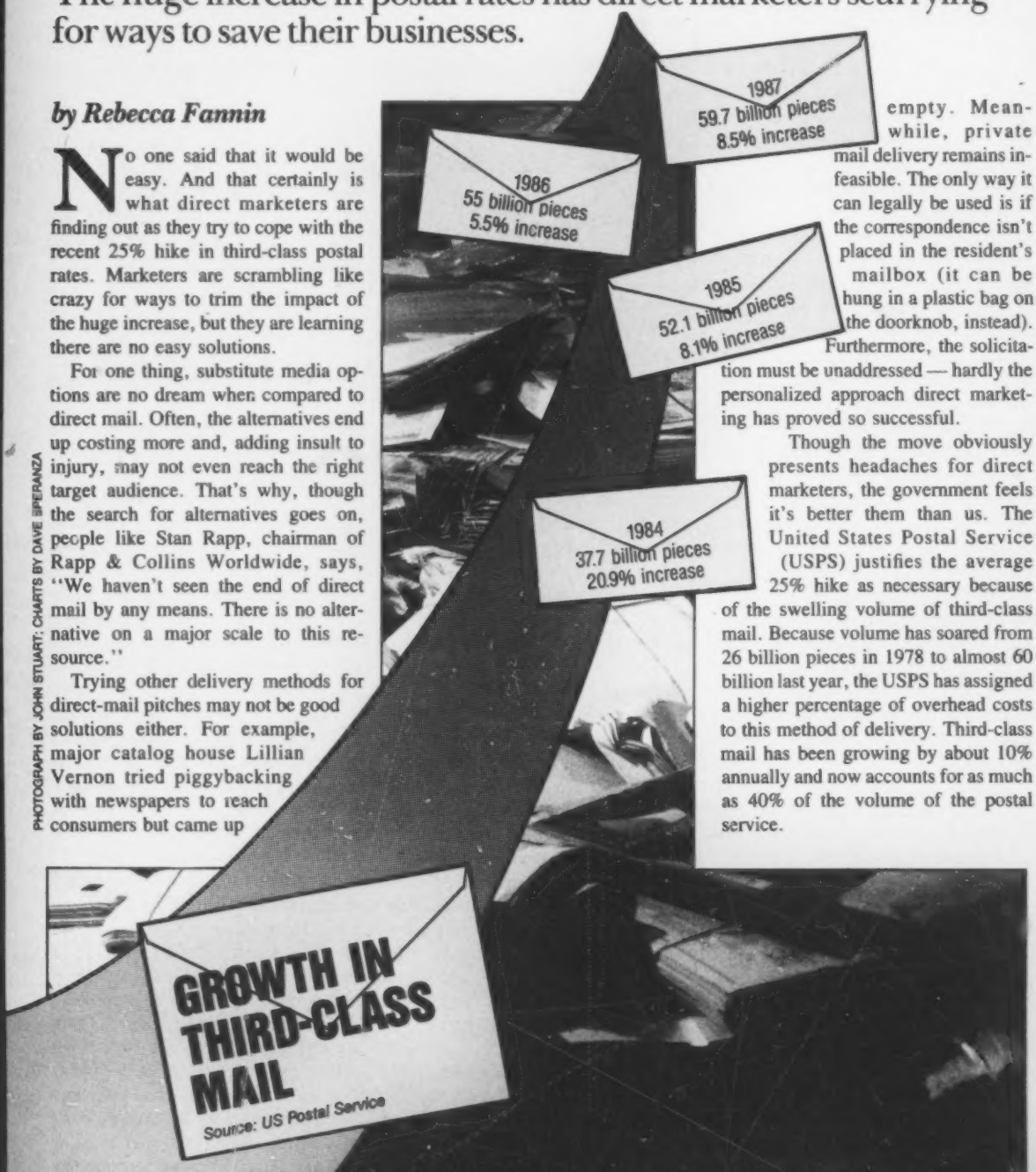
by Rebecca Fannin

No one said that it would be easy. And that certainly is what direct marketers are finding out as they try to cope with the recent 25% hike in third-class postal rates. Marketers are scrambling like crazy for ways to trim the impact of the huge increase, but they are learning there are no easy solutions.

For one thing, substitute media options are no dream when compared to direct mail. Often, the alternatives end up costing more and, adding insult to injury, may not even reach the right target audience. That's why, though the search for alternatives goes on, people like Stan Rapp, chairman of Rapp & Collins Worldwide, says, "We haven't seen the end of direct mail by any means. There is no alternative on a major scale to this resource."

Trying other delivery methods for direct-mail pitches may not be good solutions either. For example, major catalog house Lillian Vernon tried piggybacking with newspapers to reach consumers but came up empty. Meanwhile, private mail delivery remains infeasible. The only way it can legally be used is if the correspondence isn't placed in the resident's mailbox (it can be hung in a plastic bag on the doorknob, instead). Furthermore, the solicitation must be unaddressed — hardly the personalized approach direct marketing has proved so successful.

Though the move obviously presents headaches for direct marketers, the government feels it's better them than us. The United States Postal Service (USPS) justifies the average 25% hike as necessary because of the swelling volume of third-class mail. Because volume has soared from 26 billion pieces in 1978 to almost 60 billion last year, the USPS has assigned a higher percentage of overhead costs to this method of delivery. Third-class mail has been growing by about 10% annually and now accounts for as much as 40% of the volume of the postal service.



PHOTOGRAPH BY JOHN STUART; CHARTS BY DAVE SPERANZA

With postage accounting for as much as 20% of direct mailers' costs, however, the move is on to tighten pocketbooks. Since most other options are found wanting, many firms report they are looking inward for ways to save money on direct-mail pitches.

At Royal Silk, Ltd., for instance, the plan is to absorb some of the increased costs by cutting its 24 million mailings this year by 14%. Royal Silk also plans to replace 80 lb. paper stock with some 60 lb. weight instead.

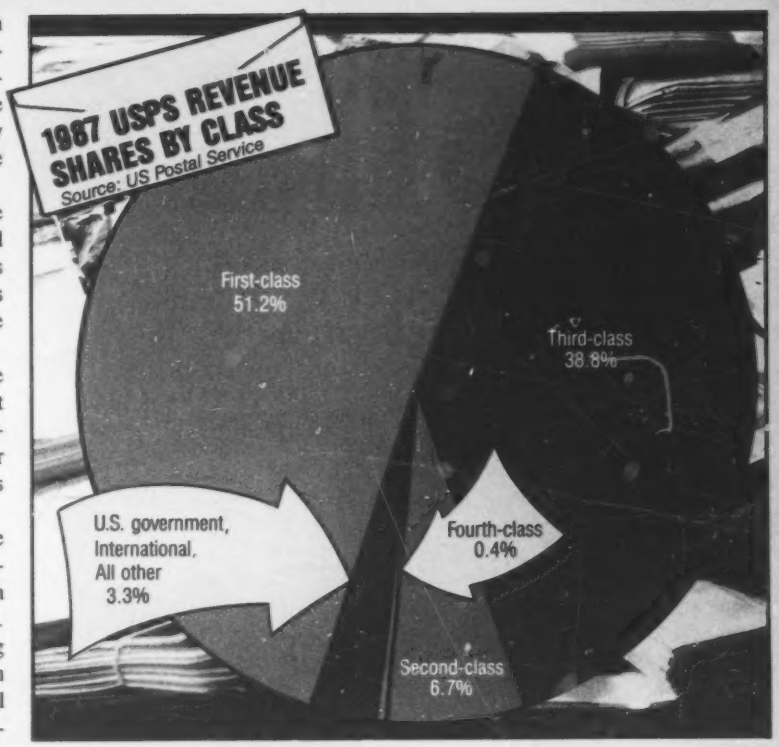
In another form of retrenchment, the catalog house has stopped renting out its coveted customer list with 1.2 million names. "We are going to keep our names and work them harder," says Gerry Pike, vice president.

Toward that end, Royal Silk in late April selected 600,000 of its best customers to receive a mailing filled with special offers — but at higher prices. Dresses were featured in the catalog because these items typically bring in an average order of $100 compared with $60 for blouses. Unusually attractive purchase incentives were also being tucked into the package. Coupons good for $5 off the pricetag and free silk washing liquids were some of the inducements to get readers to buy.

Whether or not these cost-saving measures will make up for the larger postal bill is uncertain, however, says Pike. He points out that Royal Silk's postage bill is rising this year by $630,000. That's more than 3% of the company's total gross revenues, he notes. Unfortunately, he adds, Royal Silk is also being forced to raise prices, from about $15 for a standard blouse to about $16.

Price hikes are also on call at Lillian Vernon Corp. In anticipation of the postal-rate hike, the catalog house experimented with delivering a condensed catalog via a recent Sunday edition of the *New York Times*. However, Lillian Vernon vice president Dave Hochberg termed the results "very disappointing," adding that "we aren't going to try that again." He believes the low response rates were due not only to an inability to reach the best customers but also because consumers aren't necessarily used to the idea of receiving a catalog along with the daily news.

As a final resort, Lillian Vernon plans to stay with direct mail but on a lesser scale. Catalogs are being shaved to smaller sizes. In addition, there will be fewer catalogs going out as the company steps up scrutiny of mailing lists to prospect among the most probable buyers. Higher merchandise prices are likely too, according to Hochberg.



Such cutbacks should not surprise the USPS. It had already calculated that the average 25% jump in postage rates would lead to a decline of 7 billion pieces mailed annually — a 10% drop.

But some other direct mailers as well as industry experts believe that cutting back isn't the best solution. They warn that savings through cheaper production and fewer mailings could set off a downward spiral of fewer responses and shrinking revenues. For example, at the Fingerhut Corp., vice president Michael Fisher feels strongly that "mailing less deep" can become "the beginning of the end. You ultimately have fewer orders and fewer customers. It's a five-year plan to oblivion," warns Fisher.

His solution? Mail more efficiently while maintaining volume. For instance, Fisher says the company is planning to take advantage of several discounts under the new third-class rate package. Pre-sorting by zip and carrier route in addition to bar-coding so it can be automatically sorted at the post office are among Fingerhut strategies to help absorb an approximate $1.3 million-higher postal bill.

In recent years, Fingerhut has been scouting around more frequently for new customers outside the mailbox. Fisher notes that about half of Fingerhut's solicitations skirt the post office, as compared with 10% seven years ago. Free-standing inserts (FSIs) have picked up a large percentage of that. "These programs aren't as good as direct mail because you can't pinpoint consumers," he says, "but at some price they do become better." But, he sighs, "The mailbox is still magic."

Nevertheless, certain parties are seeking to capitalize on the postal-rate rise. The newspaper industry, for example, is stepping up its sales efforts to catch some of the fall-out. "This postal-rate hike represents a competitive window of opportunity," Craig Standen, president of the Newspaper Advertising Bureau, recently told a meeting of the American Newspaper Publishers Assn. So far, though, business has picked up only slightly.

Given direct marketers' strong ties

to the post office, industry experts advise that their priority shouldn't be simply cutting back on mailings. Instead of scrimping, they believe efforts should be made to mail smartly.

More precise targeting of mailing lists to only the most likely customers should be key already, suggest consultants. But the postal hike, they note, gives direct mailers another opportunity to re-examine lists and see how they can be better targeted to key prospects. As such, lists that offer more information, such as lifestyle indicators and demographic profiles, are going to be very much in demand, predicts Jo-Ann Jensen, senior account executive at Unimail Lists, one of those information-intensive lists.

Vernon's Hochberg says papers failed to deliver.

O&M's Pickholz sees a need for the personal pitch.

Co-op mailings, like the Carol Wright program that joins several offers in one package, are among other methods that should be capturing more business, the experts predict. "You're going to see them picking up business because of the postal hike," says consultant Marc Sroge. "There's a substantial cost in acquiring and building your own house file," he notes. (See "Sales Promotion," pg. 156.)

Besides the challenge of becoming more efficient, ad agencies are the first to point out that one way to avoid waste is to make direct-mail pitches more compelling. "We're going to have to become more personal with our copy approaches," says Jerome Pickholz, chairman of Ogilvy & Mather Direct. "You can't do, 'Dear occupant, You're a fine old friend of mine . . .' "

Mailers that still find these methods lacking might give first-class mail a try. *Reader's Digest*, for one, is considering greater use of first-class post cards for subscriber renewals, according to Cary Baer, vice president of distribution. "Although you pay more, you get a greater degree of delivery with first class," he notes.

Working within the mail system has become a focal point because of the drawbacks with alternative media. For one, massive trading from the mailbox to the phones isn't likely, says telemarketing consultant Isaac Frydman. He notes that "the difference in cost between them is very wide": The average cost per contact is $2.50 for telemarketers compared with 20¢ to 30¢ for mail pieces.

In addition, direct response through television commercials only compares favorably on a cost basis to mail when the offer is extremely compelling to many, says Rick Sangerman, senior vice president and director of client services of A. Eicoff & Co., which specializes in the medium. "If the offer is strong enough and has wide appeal, then the cost per lead is lower than print or direct mail," he adds. Despite that caveat, Sangerman says that he has been presenting clients with the idea that tv has become more attractive since the postal increase. He claims that a few clients have expressed a willingness to experiment with direct-response offers on tv.

Shuffling wads of dollars to print instead also doesn't make much sense, say the experts. It's difficult to get the customary fine targeting that direct mail affords, points out Marc Sroge. And the kicker, he notes, is that "you need a high response rate to offset the high cost of space." Besides that, the experts say, it's difficult to coordinate production schedules with the publications. However, he predicts that more direct mailers will be dropping sales letters and brochures into magazine polybags.

Given the few alternatives, the direct-marketing industry has resorted to examining a host of ways to work with the post office. A task force of the Direct Marketing Assn. (DMA) has proposed to the USPS a way of using private mailers. Because law prohibits mail without postage, one proposal calls for a USPS surcharge of 75¢ per piece that would still make it economically possible to use private carriers. However, the DMA has to fight another legal restriction over the postal service's exclusive right to enter a mailbox.

Because of the large volume of direct mail, a mass exodus to private carriers isn't seen as realistic anyhow. "We send out millions of mailings every year," points out Royal Silk's Gerry Pike. "You can use private carriers on a project basis, but no other service can handle that volume."

What the rate increase may ultimately bring is a new era of reluctant cooperation. One proposal before the DMA would work on resolving one of the biggest gripes the industry has with the post office — higher rates and poorer service. For example, a recent study by Mailing Lists Users & Suppliers Assn. found that the percentage of third-class bulk mail that is lost in transit has risen to nearly 10%. Further, a joint study between the Direct Marketing Assn. and Doubleday Publishing has found a non-delivery rate of 14.1%, for Fingerhut catalogs mailed in 1987 compared with 10.5% for Spiegel catalogs mailed in 1983.

If all else fails, some may try cash: Stan Rapp of Rapp & Collins suggests that the industry offer cash bonuses from $500 to $100,000 for postal workers who propose ways of improving productivity. ■

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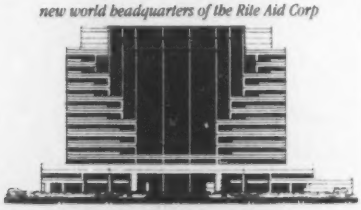

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MAGAZINES

Ron Lawrence
Vice president, media director, D'Arcy Masius Benton & Bowles, Los Angeles

THE VALUED READER

Trying to even define, let alone measure, a concept as illusive as "readership vitality" borders on the metaphysical. Yet failure to recognize the unique relationship a magazine has with its audience tends to result in a superficial evaluation process that overemphasizes the importance of boxcar "readership" numbers as reported by syndicated research.

The uniqueness of magazines (and most print media, for that matter) lies in the fact that, unlike broadcast media, it requires a sizeable commitment on the part of the recipient. We recently ran across a statement on the subject that is most apropos: "The act of reading is essentially a process of thinking. It has scan and scope beyond any camera . . . It is a concentratively individual act, an involvement."

That involvement is not only characterized by an investment of time (television also requires that) but a willingness to actively participate. And to boot, it comes with a price in the form of subscription rates that can be substantial or individual copy costs that are, cumulatively, higher still.

None of this, of course, can be reflected in the usual syndicated-research estimates. But if readers-per-copy type analyses don't reflect reader commitment, what does? Proprietary research offered by the publications themselves often provides some insight on the issue. The shortcoming of this source is that it has a tendency to be self-serving.

And what are we to make of the qualitative magazine factors that Mediamark Research Inc. (MRI) has been measuring so diligently for the past five years? Going where rival Simmons Market Research Bureau (SMRB) has feared to tread, MRI's given us head counts on "primary vs. secondary" audiences, "number of days spent reading," "reader interest in advertising," etc. While you can't help but applaud their efforts, one approaches such data with embers of skepticism vigorously fanned by ever-wary agency research directors. Their concerns invariably center around methodology and the stability of the data.

So ultimately you suspect that clues to the answer on this issue can be found in the ABC statement. Yet, while the veracity of this document is accepted by our industry, its contents are certainly subject to interpretation. For example, is a strong single-copy circulation more indicative of magazine vitality than one that relies almost exclusively on subscription sales? And regarding subscription sales, is the extensive practice of selling below basic prices in and of itself a sign of weak product appeal? Is a high bonus circulation a result of surging consumer demand or the product of short-term sales tactics of a zealous circulation department?

There is no single interpretation of any magazine data, on or off the ABC statement, that provides a definitive answer on reader vitality. And the one piece of information we really crave, "percent reader renewals," is a number that most publishers will gladly divulge . . . at gunpoint.

However, a return to a point made earlier on the price of reader participation does lead to a tenable premise: If a magazine is able to get consumers to pay more for its product than other apparently equitable alternatives, that should say more about its vitality than any attempt at statistical measurement ever could.

Therefore, by estimating what consumers actually pay for circulation (based on ABC data, with particular emphasis on "Paragraph 11"), we

Exhibit I
CIRCULATION BREAKDOWN

PUBLICATION	(000) CIRC. (RANK)	% SUBS/NEWS.	SUB. PRICES: % BASIC/LOWER
[illegible]	8,064 (1)	93/7%	2/98%
[illegible]	5,994 (2)	12/88	40/60
[illegible]	5,349 (3)	87/13	16/84
[illegible]	5,264 (4)	2/98	100/0
[illegible]	5,176 (5)	68/32	57/43
[illegible]	5,043 (6)	81/19	7/93
[illegible]	3,942 (7)	82/18	4/96

Source: June 30, 1987 ABC Statements

Exhibit II
ECV RANKINGS

PUBLICATIONS	ESTIMATED COST PER COPY: SUB. PER COPY* ($)	SINGLE ($)	WTGD. AVG. ($)	ECV** (RANK) ($000)
[illegible]	.98	1.30	.75	6,045 (2)
[illegible]	.85	.95	.94	5,621 (4)
[illegible]	.72	1.60	.92	4,394 (6)
[illegible]	.89	.99	.99	5,200 (5)
[illegible]	1.24	1.95	1.44	7,594 (1)
[illegible]	1.02	1.50	1.14	5,749 (3)
[illegible]	.86	1.50	.81	3,198 (7)

* Estimated from data provided on June 30, 1987 ABC Statements, Paragraphs 1, 3, 4, 6, 11
**Estimated circulation value

Exhibit III
THREE MEASURES

PUBLICATION	FOUR-COLOR PAGE COST* ($000)	CPM (RANK): W18+	CIRC.	ECV**
[illegible]	100.8	4.41 (6)	12.79 (4)	17.12 (6)
[illegible]	73.0	2.46 (2)	12.16 (1)	13.00 (4)
[illegible]	69.8	4.20 (5)	12.48 (3)	15.20 (5)
[illegible]	65.7	3.27 (1)	12.48 (2)	12.62 (3)
[illegible]	98.1	4.30 (4)	17.02 (7)	11.69 (1)
[illegible]	67.2	4.33 (5)	13.33 (5)	11.69 (2)
[illegible]	81.0	5.75 (7)	15.47 (7)	10.67 (1)

Source: Marketer's Guide to Media; *First quarter 1988*
* Non-negotiated rates.
** ECV = Estimated circulation value. Sample calculation: Ladies' Home Journal—$67,200 page cost ÷ ECV of $5,749M as indicated on previous exhibit.

have developed a concept that we call Estimated Circulation Value (ECV).

To flesh out this concept and demonstrate how it might work in a "real-world situation," let's apply it to the women's service field's Seven Sisters.

First off, what is so interesting about this category is its broad spectrum of circulation sales strategies, summarized in Exhibit I. For example, *Woman's Day* garners 98% of its sales from single copies; *Better Homes and Gardens*, only 7%. Only *Good Housekeeping* maintains some semblance of balance between subscription and newsstand sales. This balance is further maintained in the selling of subscriptions at basic vs. lower-than-basic prices (i.e., 57%/43%). Conversely, note in the exhibit that *Better Homes and Gardens* sells only 2% of its subscriptions at basic prices, offering 98% at lower than basic.

Audit statements can be used to put an estimated value on reader interest and a new light on the cost of an ad page.

Better Homes and Gardens is clearly the circulation leader, though we wonder at what price it is able to generate and maintain 8+ million copy sales. Exhibit II answers this question. Note the variances in single and subscription copy costs and the resultant estimated circulation value derived from multiplying "cost per copy" by the appropriate circulation counts in each category, referenced in the previous exhibit.

An interesting thing has happened: *Good Housekeeping*, ranked fifth in circulation, is number one when the ECV is calculated. With a circulation of "only" 5,176,000, it is able to generate an estimated revenue of $7,594,000, far exceeding any competitor in the category.

In an opposite view, *Better Homes and Gardens*, the circulation leader, has the lowest average per-copy price in the category. This results in an ECV that demotes it to second place, not substantially ahead of the third- and fourth-ranked competitors.

Finally, as to how this information might be incorporated into magazine evaluations, note the fresh perspective ECV can bring to cost-efficiency analyses. Exhibit III shows national CPM comparisons that have been developed against three alternative bases: Women 18+ (as reported by Spring 1988 MRI); Total Circulation; and Estimated Circulation Value.

Two publications, *Good Housekeeping* and *Ladies' Home Journal*, did not rank high in the "boxcar number" efficiencies of syndicated research against women 18+. They fared worse against reported total circulation. However, when a *value* is assigned to that circulation, i.e. the price that the consumer is willing to pay for it, both publications are clearly more efficient than other contenders in the category.

Assuredly, the application of ECV to this or any type of magazine analysis would need to be reviewed with some degree of regularity, especially in a category as kinetic as the Seven Sisters, given circulation erosion trends, intense rate negotiating, editorial repositionings, etc. The point remains: The magazine-selection process should factor in a reward for publications that have demonstrated an ability to deliver a product that the consumer is willing to pay a higher price to get, given several essentially equitable alternatives. Estimated Circulation Value does just that. ■

ECV data should be reviewed on a regular basis to account for such variables as erosion, repositionings and negotiation.

TELEVISION

David Lerner

Senior vice president, broadcast supervisor, FCB/Leber Katz Partners, New York

UNDERSTANDING EROSION, PART I

Network erosion had been ongoing in most key dayparts for a decade. When compounded with media inflation, a convenient solution to advertisers' problems was diversion of a fixed percentage of funds to alternative national broadcast media such as syndication and basic cable networks. For nine years, this solution worked adequately. But this year, the preliminary results of people-meter measurements jolted the advertising community into realistically grappling with the issue of erosion.

It has become both trendy and convenient to suggest shifting network dollars toward cable networks as this year's handy solution to network erosion. For several reasons, this logic is not foolproof.

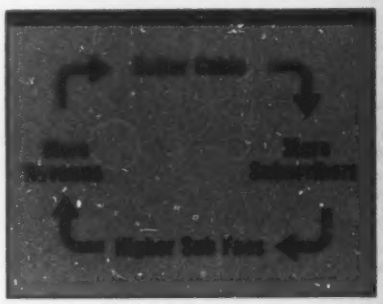
- Advertiser-supported cable networks are not the only entities benefitting from network's tailspin. Both pay-cable and independent audiences are up 14% this past year.
- A major portion of cable network's maturation is occurring in non-network programed dayparts, such as early fringe and weekend day.
- Basic cable is poaching viewers from superstations and independents as well as network affiliates. This indicates a need to both redirect expenditures within the cable universe and shift spot dollars over to cable networks.

A broader perspective on cable's upswing is needed before radical shifts of advertising dollars from the networks toward cable are implemented.

The termination of must-carry rules in January 1987 launched cable into a new era. As standard broadcast channels were dropped from many cable systems' rosters, superior dial positions opened to cable networks. Concurrently, ESPN inked its NFL contract, spurring demand for cable both from citizens in areas not yet passed and from non-subscribers in passed areas.

Meanwhile, cable quietly passed the critical-mass level of 50% U.S. penetration. Conceptually, cable shifted categorically from luxury to necessity, as consumers lumped their cable bills in with other utility payments. When deregulation led cable networks to double or triple the subscriber fees charged to systems, and the systems in turn passed these expenses on to consumers, churn was minimal. This enabled cable networks to enter a loop of quality that caused ratings to spiral.

There is substantially more profit for



cable in subscriber fees than in advertising sales. Deregulation engendered the higher subscriber fees that netted the needed revenue to both finance acquisition of improved product and produce more original programing. Once better cable is available, aggressive marketing and intensive promotional activity yield ratings increases while concurrently building demand from those not enfranchised. Subscriber lists grow, viewer satisfaction cements and the cable networks raise the MSOs' sub fees. The loop therefore is completed

BRAND REPORT

No. 153: Cookies and Crackers

NIBBLE, NIBBLE

by Paula Schnorbus

How sweet it is. It was just a few years ago that cookies and crackers accounted for one fourth of baked-goods sales. Now the snacks are biting into a lip-smacking one third of revenues. According to Business Trend Analysts, a Commack, N.Y.-based market-research firm, manufacturers' sales of cookies and crackers have been increasing 11.7% annually between 1982 and 1987, and last year the category was estimated to be worth almost $8 billion, with a little more than half of that in the cookie sector.

But it hasn't all been sugar and spice and, well, you know. Soft cookies, which were supposed to be the closest thing to homemade when introduced five years ago, turned out to be unhap-

COOKIES & CRACKERS 1987 MEDIA EXPENDITURES (000)

Brand	Media Total	Network* Television	Spot* Television	Cable* Television	Network Radio	Spot*** Radio	Magazines	Newspapers**	Outdoor
Cookies									
Nabisco	48,046.0	39,793.2	5,510.9	2,261.9	266.6	11.9	137.1	64.4	–
Keebler	11,490.7	10,835.8	626.1	12.0	–	–	–	16.8	–
Pepperidge Farm	7,677.5	6,177.6	1,464.8	–	–	–	30.3	4.8	–
Entenmann's	3,453.3	–	2,950.5	–	–	480.5	–	21.1	1.2
General Biscuits	3,848.7	–	1,396.6	–	–	1,436.3	–	698.6	315.2
Archway	1,715.3	–	316.1	–	–	1,366.6	–	32.6	–
Crackers									
Nabisco	47,895.2	42,140.9	1,615.0	2,073.3	–	64.0	1,916.1	85.9	–
Keebler	8,126.4	7,870.8	235.8	19.8	–	–	–	–	–
Pepperidge Farm	621.9	–	537.7	–	–	–	84.2	–	–
Stella D'Oro	534.1	–	534.1	–	–	–	–	–	–
Sunshine	247.5	–	–	–	–	–	–	146.3	101.2

Note: Entenmann's includes all product lines. Sunshine includes cookies and crackers.
*Sources: *Broadcast Advertisers Reports as reported to LNA; Leading National Advertisers; **Media Records; ***Radio Expenditure Reports. No Sunday-magazine expenditures were reported.*

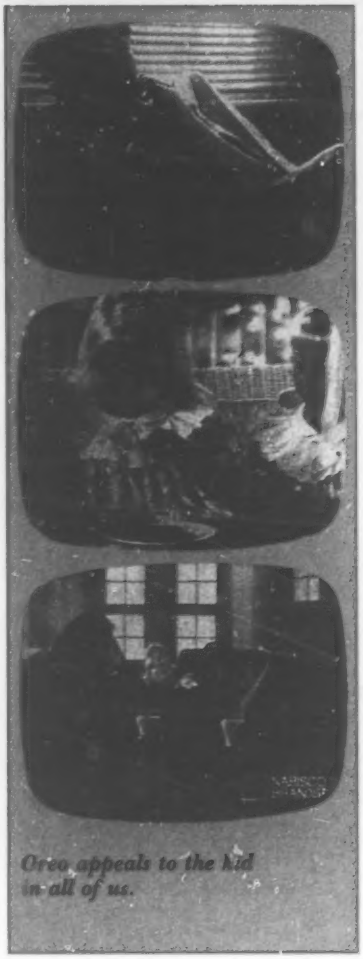
ILLUSTRATION BY SHELLEY THORNTON

pily soft performers. Nearly all the cookie makers who jumped into this segment with huge marketing dollars came up hungry.

Perhaps that is why there is a real air of conservatism in the cookie market today. Cookie and cracker manufacturers seem to be less than inspired in product offerings, which are heavy on line extensions for the most part. "Heavy" is an appropriate word to describe what has been happening to some cookies whose faces seem to have been attacked by chocolate squirt guns. Marketers seem to be playing it safe by toying with tried-and-true brands like Nabisco's Oreo cookies, now choked in chocolate with a fudge covering, as are Keebler Grasshopper sandwich cookies and Sunshine's Hydrox, an Oreo-lookalike cookie. Meanwhile, Nabisco's Ritz crackers now have a shrunken size called Ritz Bits for serious handful-to-mouth snacking, and Keebler has downsized its Townhouse crackers, their answer to Ritz, and come up with Townhouse Cheddar Juniors.

One of the big stories has been the renewed strength of Nabisco Brands — long the market leader — in this category. Though major marketers such as Frito-Lay and Procter & Gamble did their best to power into the category, using the soft-cookie fad as a launching pad, Nabisco was able to pour it on and defeat the invaders. George Thompson, an analyst at Prudential-Bache Securities, adds that even though Nabisco joined the soft-cookie fray after originator Procter & Gamble brought out its Duncan Hines cookies, "Nabisco has the strongest distribution in baked goods. When a company like P&G comes in to grab market share, they have an extraordinarily difficult time because Nabisco has all the good shelf space and the good distribution system."

John Wendler, a vice president of Glendinning Associates, a marketing consulting firm, explains that Nabisco's form of direct-store delivery is welcomed by store managers because it is labor-saving and cost-efficient. Keebler, another major player in the cookies and crackers field, also has direct-store delivery, while Sunshine uses the warehouse method. This latter distribution system is cheaper for manufacturers, so the products may be less expensive, but warehouse distribution may involve more labor costs for the retailer.



Oreo appeals to the kid in all of us.

Not content to rest on its comfortable lead, Nabisco introduced a whopping 18 new products and line extensions last year. Wendler explains that by coming out with a truckload of new brands, Nabisco was more assured of a chunk of shelf space. Had Nabisco trickled out products item by item, the company might have been forced to remove existing brands and make room for new ones.

Interestingly, although nearly every other food category is trying to make some kind of "healthful" claim these days, cookies don't mind keeping their more "sinful" image. Stuart Greenblatt, spokesman for Keebler states, "Cookies are treats, and they still continue to be so. We're not advocating or promoting nutrition or health information with our products at all." And that is a good thing too. The Center for Science in the Public Interest, a nonprofit consumer information organization based in Washington, D.C., says the average cookie gets about 40% of its calories from fat and 30% from sugar.

Over in cracker land, the latest craze has them getting lighter, with low-salt varieties and miniaturization. For example, Nabisco is mimicking Pepperidge Farm's Goldfish by pushing Quackers. Beth Mitenbuler, a marketing manager with Pepperidge Farm's biscuit division, points out that Nabisco's packaging for American Classics crackers bears a close resemblence to Pepperidge Farm packaging.

Families continue to be the target audience of cookie makers, although industry observers think that cookie offerings will be designed to appeal more to grown-ups as baby boomers get older. Crackers, which have been geared more to adults, seem to be going in the opposite direction. As crackers get more dimunitive, so do their consumers. Wendler of Glendinning says Ritz Bits are turning crackers into finger food, almost competing with chips. Thus, a subtarget of kids is created.

Following are profiles of cookie and cracker companies with the greatest market shares. The cookie companies with the biggest shares, based on 1987 estimates of retail sales from Business Trend Analysts are RJR Nabisco Inc.'s Nabisco Brands, with a 35% share; United Biscuits Holdings' Keebler, with 15%; G.F. Industries' Sunshine Biscuits, with 6%; and Procter & Gamble's Duncan Hines soft cookies, with 5%. It must be noted, however, that LNA reports about $2.5 million was spent in 1987, but a P&G spokesman says marketing money currently is nonexistent.

Nabisco's estimated 54% share overwhelms all other cracker-company contenders. Dropping down to second place is Keebler, with an estimated market share of 19%, while Sunshine Biscuits weighs in at 11%.

Based on Packaged Facts Inc.'s cookie-and-cracker report, Campbell Soup Co.'s Pepperidge Farm has been included in the roundup because of its estimated 1986 share of 6%. Other

companies Packaged Facts has listed as viable players in the cookie market are Archway Cookies Inc., General Biscuits of America and the Entenmann's division of General Foods Corp. Pepperidge Farm's crackers and Stella D'oro breadsticks also make the cracker list.

COOKIES

Nabisco

Nabisco, a cookie monster that tenaciously gobbles up more than half of the market, also boasts the biggest-selling cookie, Oreo, which turned 75 in 1986. Nabisco also takes credit for the number-two-selling cookie, Chips Ahoy, which is celebrating its 25th year with a birthday bash in Acapulco this month.

These two confections head up Nabisco's cast of some 70 cookie varieties, leaving no target audience unturned. But the headliner is Oreo, around which Nabisco has built a brand-family franchise. The basic Oreo appeals to kids as well as grown-ups, or the "kid in all of us." Big Stuf, the

Chips Ahoy is celebrating 25 years with a birthday bash.

three-inch-wide Oreo line extension, is targeted at teenagers, while fudge-covered Oreos are aimed more at adults as the initial ads for the chocolate-laden cookies begged you to "indulge yourself." The primary consumer target is women 25 to 54. Fudge-covered Oreos were one of the 18 new products or line extensions Nabisco introduced a year ago.

Chips Ahoy are being drowned in chocolate coatings also but only on their bottoms and in stripes on their tops. The current tagline for Chips Ahoy is, "Betcha bite a Chip."

Both Chips Ahoy and Oreos are advertised in every daypart imaginable on network, syndication and cable tv. Chips Ahoy and Oreo are just two of the Nabisco brands that are now part of brand families. Newtons, with their six flavors of fruit cookies and a new seventh flavor, raspberry, have been forming a brand family since the first "sibling" of Fig Newtons was born in 1983. Party Grahams, which are fudge-covered, stood alone until they became part of the Cookies 'N Fudge family that also includes chocolate chip and fudge-striped shortbread cookies. Packaging for Newtons and Cookies 'N Fudge have become uniform.

Nabisco's Almost Home variety of soft cookies has a new family-size, 16-ounce bag. Three of the 12 cookie flavors are advertised in a free-standing

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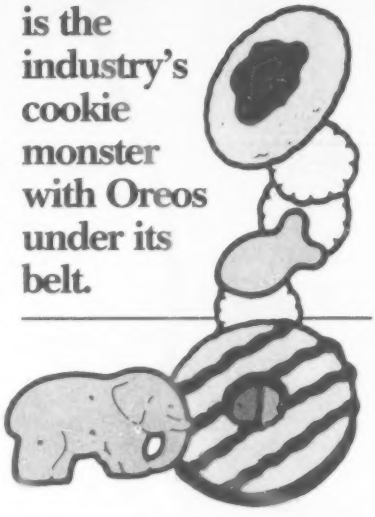
insert, but that is the only place one may see them currently because Nabisco's brand of soft cookies haven't been advertised.

Some Nabisco cookies also are sold in variety packs with, for example, three different kinds of Newtons in one package. In addition there is a downsized package for some brands, such as the Oreo and Chips Ahoy flagships. Instead of a box of three stack packs, there are boxes with just one stack pack. New packaging also includes individual servings, such as a three-inch Oreo for a convenience store or packages of three or four smaller cookies.

Not all of Nabisco's seemingly infinite varieties of cookies are advertised. Giggles, a sandwich cookie geared to children, and the Newton family are advertised primarily on tv, and Nilla wafers are advertised mostly in print. Caroline Fee, Nabisco spokeswoman, adds that "We don't feel Barnum's Animal Crackers need advertising. They're at a child's eye level in grocery stores," she explains. The animal crackers are advertised at point of sale and sometimes in end-of-aisle displays. "They certainly hold their own without a bigger advertising budget," Fee observes. LNA reports that Nabisco's overall cookie budget in 1987 certainly was a big one with $49.3 million in expenditures, about $11 million more than 1986, keeping in mind the 18 new products.

Nabisco is the industry's cookie monster with Oreos under its belt.



Even if Nabisco doesn't advertise all of its brands, it does use all media types, including newspapers, outdoor, radio and direct-mail couponing. LNA reports that Nabisco hasn't been using much magazine advertising, but its cookies have appeared in *Ebony*, *Essence* and *Southern Living*.

FCB/Leber Katz Partners, which has been handling Nabisco cereals and Vantage and Salem cigarettes, has added Nabisco cookies to its roster. Up until recently, Nabisco's ad agency for cookies was Saatchi & Saatchi DFS Compton. But the agency got the boot after the RJR half of RJR Nabisco didn't care for smoking ban tv ads created by Saatchi for Northwest Airlines.

Nabisco also has its share of consumer promotions, and the company is one of the official Olympic sponsors, just finishing an Olympic team jacket promotion. Another promotion is the Oreo triathlon, with a grand prize of $100,000 if you get three gold medals on a game card in a package of Oreos. "Summer Snackin" is an in-store sweepstake for the whole family, with

prizes such as a child's pedal car and an inflatable paddle boat.

Keebler

Believe it or not, Keebler has had the same "spokes-elf" for 20 years. Ernie, a creation of Leo Burnett, and his elfin pals have been baking Keebler's "uncommonly good" cookies in a hollow tree all this time, and he has even been immortalized in his own cookie shape, the E.L. Fudge brand.

That brand, like Keebler's Grasshopper variety, has been covered, or "enrobed," in chocolate. More sandwich types have been added to Keebler's 40-plus varieties of cookies that include Pecan Sandies and French Vanilla Cream sandwich cookies. Even though Keebler has animated ads, the appeal is to the whole family, not just the kids, says Stuart Greenblatt, spokesman.

He adds that the cookie category is highly competitive because most of the time cookies are purchased on impulse. Keebler tries to have "a lot of end-aisle promotions. We make sure we're well positioned with high impact and high visibility displays," he says.

Ernie, Keebler's spokes-elf, is immortalized in the E.L. Fudge brand.

Keebler also does a substantial amount of point-of-purchase promotions with seasonal offers, such as spring sports equipment and back-to-school pencil sets. There are proof-of-purchase promotions that offer elf telephones at Christmas. The company has also been expanding its vending-machine products and downsizing the bags of more popular lines of cookies.

Network tv is Keebler's principal medium lately, says Greenblatt, and 30-second spots are run during daytime and evening family-oriented programming. Free-standing inserts are popular for introducing new brands and promoting existing brands. Keebler cookies don't appear in magazines, outdoor or radio ads. According to LNA, Keebler spent about $11.5 million on its cookie advertising last year.

Sunshine

Sunshine, an 86-year-old company that boasts its Hydrox chocolate-sandwich cookie came out two years before Nabisco's Oreo, was recently taken private by G.F. Industries after being put on the block by American Brands Inc.

There are some 40 varieties of Sunshine cookies, including Chip-a-Roos and Vienna Fingers. Sunshine also has dipped its Hydrox chocolate sandwich cookie in chocolate. Alexander Nichols, director of advertising and marketing sales, says that the target audience is mostly children, with the exception of Vienna Fingers, which are more adult-oriented. Recently, Sunshine introduced Bavarian Fingers, which are the chocolate opposite of the vanilla sandwich Vienna variety.

A new children's cookie to capitalize on the dinosaur fad is the chocolate "Cookiesaurus." They join the Grahamy Bears, bear-shaped graham cookies, a recent introduction. There also are pecan and applesauce cookies, two new bag cookies that debuted last year.

Goodness and the Baker Man, Sunshine's package mascot of some 15 to 20 years, has been the company's theme of sorts recently. Advertising has been fairly limited, according to Broadcast Advertiser Reports and LNA. Some spot television was used for Hydrox commercials earlier this year. Network and cable haven't been used recently, nor have magazines. Direct-mail couponing and free-standing inserts are used as well as ROP ads in newspapers. Nichols says Della Femina, Travisano & Partners, Sunshine's agency since August, is currently working on a new campaign.

Sunshine's Vienna Fingers have more adult appeal.

Pepperidge Farm

Pepperidge Farm, which has primarily pitched European-style cookies such as Milano, Brussels and Geneva, finally came out with an American Collection of five cookie varieties that are "lumpy and bumpy," with chocolate chunks rather than chocolate chips, for example. "It's like taking a Mrs. Fields cookie and packaging it for the supermarket," says Karen Gates, marketing manager, cookies.

Even the bags are shorter, wider and costlier: For $1.99, there are eight cookies in a bag, double the price of some of the other Pepperidge Farm cookie offerings. The American Collection goes after the family, rather than the upscale audience of the rest of Pepperidge Farm cookies, which have been around since 1955. When Pepperidge Farm's "Old Timer" ad spokesman of 32 years started pitching the new cookies, he remarked that they have "more personality than most folks we know." But the message for all 40 Pepperidge Farm cookies stresses their "quality and very special premium taste," says Gates.

Advertising created by Ogilvy & Mather is primarily through tv and FSIs in Sunday newspapers. The cookies ap-

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Pepperidge Farm pitches plain families rather than the upscale.

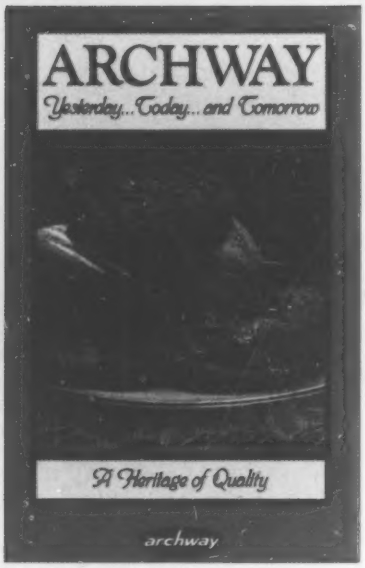
pear in three 15-second and one 30-second commercial on network prime-time and daytime tv with some supplemental spot tv. ROP ads in newspapers aren't used on a regular basis because "it is hard to get appetite appeal in newspaper photography," explains Gates. Pepperidge Farm also has been exploring trial-oriented promotions.

While she wouldn't reveal the 1988 budget, Gates said about $10 million was spent on cookie advertising last year.

Archway Cookies

Here is another seemingly good-for-you cookie that gets more attention from adults. Chan Wiltse, national marketing manager, says the target audience is 35 and up, but "we have an exceptionally big following with 45 and up. It seems that after they get older, they get more of a taste for homestyle soft cookies. We don't do very well with children," notes Wiltse.

The 51-year-old Archway brand has always been in plain cellophane wrapping "so you can see all the cookies," says Wiltse. Up until recently, there have been a dozen of the larger-size cookies per package, but in the last two years, smaller cookies have been



Archway cookies have attracted adults.

placed in bags to appeal to a younger target group.

Wiltse says that although there are some 50 flavor varieties, Archway's nine different bakeries around the country are autonomous and peddle what sells best in their markets. About 35% of Archway's cookies are of the oatmeal variety, but Wiltse says molasses is popular in Minneapolis while New Yorkers are big on chocolate.

Different regions may have different cookies, but the sentiment or tagline, "Any time is Archway cookie time," is the same. Wiltse says that Archway's in-house agency creates a new theme yearly.

Archway's :30 tv spots appear on network game shows and also on spot tv. Radio commercials are :60s, and free-standing inserts and ROP ads are used in newspapers. Archway's FSIs also are in Carol Wright coupon mailings. Trade ads are in *Supermarket News* and *Progressive Grocer*, but advertising in consumer books such as *Modern Maturity* and *Ebony* is currently on hiatus.

In 1987, Archway had $316,100 in ad expenditures, according to LNA.

Entenmann's

Entenmann's, the General Foods unit whose tagline is, "You can't get better unless you bake," even has box colors for its cookie varieties that would most be associated with the neighborhood corner bakery box, such as white or tan, depending on the region, says Evan Schlessinger, corporate product manager.

The company has been making homestyle cookies since 1977 and has lately added the Deluxe line (three-inch cookies geared to families) and a gourmet line with more adult positioning. There are 25 to 30 varieties of Entenmann's cookies in its four bakeries around the country. Entenmann's has been moving out from its East Coast roots and began hitting the West Coast in the mid-1980s. Products are available in 70% of the nation.

Entenmann only has an umbrella campaign for its products; the cookies aren't pitched by themselves. The media plan includes :30 commercials on spot tv, :60s on spot radio, newspaper FSIs and direct-mail couponing. Schlessinger says Entenmann's is "always doing premiums," such as free mugs, strawberries, milk or eggs at Easter.

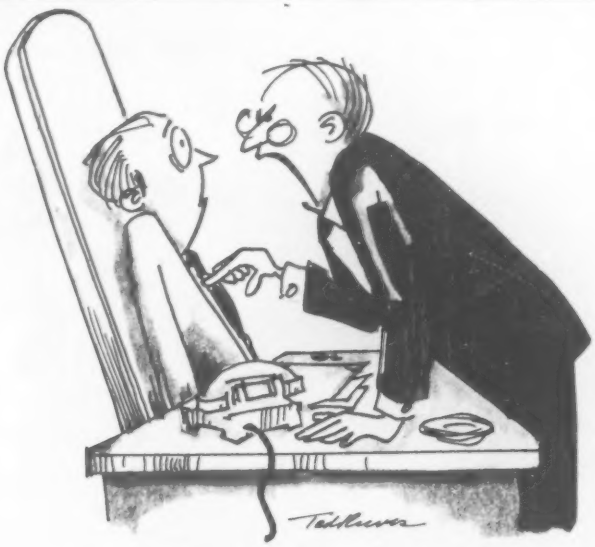
Media Records reports that about $21,139 was spent on Entenmann's products last year. LNA didn't report any expenditures.

General Biscuits of America

Perhaps best known for its Girl Scout cookies, General Biscuits of America also nationally markets Lu premium cookies.

Because of their premium orientation, says Ronald P. Splinter, vice president, sales and marketing, the 20

Lu cookies have a more affluent audience.



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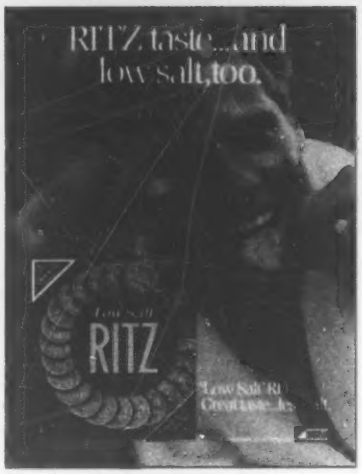
cookie varieties of Lu are stronger in major metropolitan areas in the East and West Coasts and Midwest. Their upscale appeal is reflected in Lu's three-year-old tagline, "Please don't call them cookies."

Consumers of Lu are frequently in the 25-to-45 age range and have incomes of more than $30,000. Lu cookies zero in on the target audience through FSIs in newspapers and billboards on the West Coast. Ketchum/Hicks & Greist is the agency.

General Biscuits also markets Salerno cookies and crackers in the Midwest and Mother's and Bakery Wagon cookies on the West Coast. LNA reports that about $1.7 million was spent on General Biscuit cookies brands in 1987.



Nabisco is the crackerjack of the cracker industry.

CRACKERS

Nabisco

With over half of the category's market share in its grasp, Nabisco could easily be called the crackerjack of the cracker industry, especially with the likes of top-selling Ritz and Premium Saltines in its clutches.

And grocery buyers say hands down that Ritz Bits, the mini-Ritz crackers meant to be eaten by the handful, are scarfing up sales. The crackers were introduced last year with 17 other new products or line extensions from Nabisco. Two other brands from that group, American Classics and Quackers (Nabisco's answer to Pepperidge Farm's Goldfish), are getting mixed reviews from supermarket buyers. American Classics, with flavors such as golden sesame and toasted poppy, are Nabisco's entry into the upscale entertainment section of the cracker business. Nabisco has more than 50 varieties of crackers that include Triscuits, Wheat Thins and Zwieback.

Like its cookies, only certain cracker brands are advertised, and those that are have been pitched to adults. Ritz Bits commercials are a little different because they show different people grabbing handfuls of the crackers, and a child is included in the lineup. Honey Maid graham crackers are another exception, and they appear in combination ads with Oreos. Other crackers are depicted with different kinds of food, such as Wheatsworth with soup and American Classics with canapés for entertaining.

Caroline Fee, Nabisco spokeswoman, says that crackers are marketed to the health conscious. While

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Nabisco doesn't make health claims, its low-salt crackers appeared in a health-club poster about exercising.

The crackers get coupon activity in free-standing inserts in newspapers and through on-pack couponing. Ritz Bits are advertised on tv. Four of Nabisco's low-salt varieties recently appeared together in *Better Homes and Gardens*. McCann-Erickson is the agency.

LNA puts Nabisco's cracker advertising at $47.8 million last year, up from 1986's $31.8 million.

Keebler

Even though crackers have less of a "kid appeal with more of a family orientation," says Keebler spokesman Stuart Greenblatt, most of the tv commercials are animated. "It's always the same elf," says a deadpan Greenblatt. "We have used some live people in snack advertising."

There are more than 30 varieties of Keebler crackers, such as Zesta Saltines, Townhouse, Club and Stone Creek. Keebler also takes two of the most popular brand names, Townhouse and Club, and pairs them with cheddar cheese to make sandwich snacks. There is also a Townhouse Cheddar Junior, which is a downsized snack version of the Townhouse cracker, introduced late last year. Even the cheddar juniors' box is smaller at seven ounces.

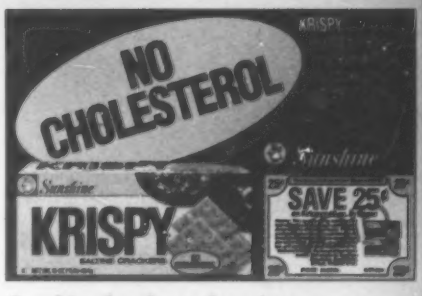
Crackers also aren't plugged for their healthy qualities but for taste and variety. However, Keebler does have a line of low-salt crackers.

Tv advertising with Ernie is a favored medium as are FSIs in newspapers. Because cracker consumption is high at holiday time, says Greenblatt, there are two-for-one deals or high-value coupons. Advertising in magazines hasn't been done recently, he adds.

LNA reports that $8.1 million was spent on Keebler cracker advertising last year.

Sunshine

Cheez-Its, the venerable 67-year-old snack cracker, was the only Sunshine cracker to get advertising on spot tv earlier this year. Sunshine has about 20 cracker varieties, including its own brand of saltines, the Krispy crackers, and also HiHo Deluxe crackers, which are similar to Nabisco's Ritz and Keebler's Townhouse.



Sunshine has been changing its packaging.

There are also the flavored-topping American Heritage crackers, with sesame, wheat, cheddar and parmesan. Alexander Nichols, director of advertising and marketing sales, says that the crackers are more adult-oriented, with the exception of Cheez-Its.

Packaging has been changing over the past five years, says Nichols. Cheez-Its has its hunk of cheddar cheese pictured on the front, while Sunshine "tried to make [Krispy crackers'] package a little more appetizing by inserting a bowl of stew or salad on the box to show how you could use the crackers," explains Nichols. Sunshine also threw its hat into the low-salt ring by introducing low-salt Cheez-Its last year.

Like the cookies, Sunshine uses FSIs and ROP ads in newspapers and direct-mail couponing. Della Femina, Travisano & Partners is working up creative for Sunshine's cracker category.

Pepperidge Farm

Pepperidge Farm is in the enviable position of not "being able to provide enough product to keep up with demand," says Beth Mitenbuler, marketing manager of biscuits.

In fact, the company's Goldfish and Distinctive Crackers, which include English Water Biscuits and Cracked Wheat flavors, haven't been advertised extensively. "Our biggest constraint has been internal constaint based on our manufacturing capacity," Mitenbuler explains. "When we advertise the brands, the volume goes through the ceiling. Then we have an out-of-

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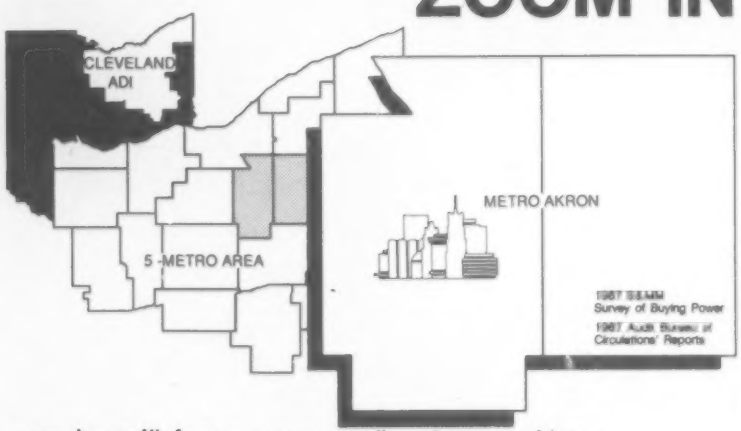

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stock situation, which is not what you want to have." She says that with a new plant going up in Florida, that problem should be solved soon.

Pepperidge Farm's Goldfish have been around more than 15 years, while the crackers have been on the shelves about 10 years. The marketing message is "quality," and the target audience is upscale women 25 to 54, who have higher income and education levels for Pepperidge Farm's "premium quality" crackers. The company tries to tie in advertising with other products that are "premium" in nature, says Mitenbuler.

Of the seven Distinctive Crackers flavor varieties, five "totally coincidentally fall within FDA regulation for low-sodium foods," she says. A "Symphony" assortment of three of those flavors will be available in an assortment pack. Oddly enough, there already is a "Three Cracker Assortment" variety pack, with three totally different flavors than the Symphony grouping.

The media plan includes 30-second tv spots on prime time and daytime for Goldfish. Magazine advertising isn't used, nor is outdoor. Carol Wright direct-mail couponing is used. Ogilvy & Mather is the agency.

Pepperidge Farm says it can't keep up with demand.

One thing that Pepperidge Farm crackers hasn't done is sweepstakes. The corporate view, says Mitenbuler, is that "sweepstakes tend to be cheesy. There are some upscale versions, but giveaways or mail-aways are what we want to stay away from." But Mitenbuler admits, "Coming up with a high-quality promotion would potentially drive the business, but our sales are so good as it is, we're really not dependent on that to help sell the product."

LNA reports that about $621,900 was spent on Pepperidge Farm's cracker advertising last year.

Stella D'oro

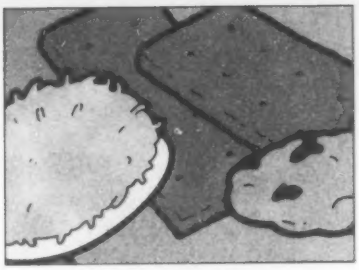
Stella D'oro Breadsticks, which were originally broken out as a mealtime accompaniment some 35 years ago, have become "fun" in the last nine years.

The breadsticks come in flavors such as regular, sesame, onion, whole wheat and also dietetic regular and sesame, which simply mean lower in sodium. But you won't see the low-salt advertised specifically for any kind of health benefits. "Breadsticks are fun items," explains Murray Firestone, president and creative director of Firestone & Associates, which has been handling Stella D'oro for some 25 years. "We don't want to lose that element."

Firestone says that about 98% of the breadstick advertising is in 30-second tv spots. Stella D'oro is contemplating using radio and print advertising, though. The company doesn't use couponing very often "because it's such a popular category we don't need to offer incentives," reasons Firestone, who says Stella D'oro's total ad budget is in excess of $5 million, of which breadsticks get a "heavy share." ■

Stella D'oro breadsticks recently have become "fun."

A Public Service Message Ad Council U.S. Department of Transportation

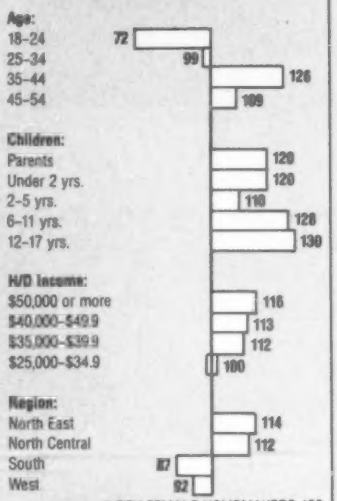


BRAND REPORT INDEX

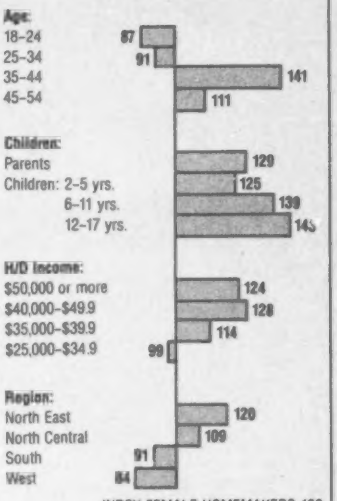
COOKIES & CRACKERS

How to read: Our indices of user demographics and media preferences are used to indicate the direction and amount of difference from the average. The index of the average is, by definition, 100. Thus, an index of 112 reflects a 12% above-average incidence. An index of 89 indicates an 11% below-average incidence.

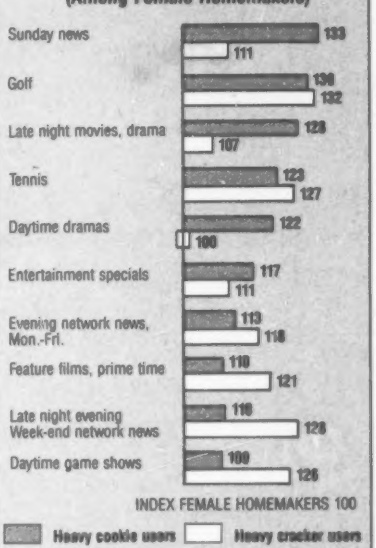
KEY DEMOGRAPHICS
Heavy Cracker Users
(Among Female Homemakers)



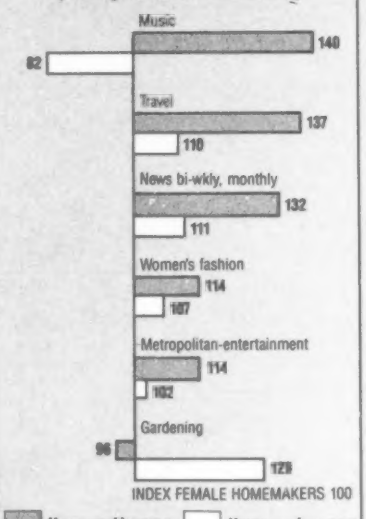
KEY DEMOGRAPHICS
Heavy Cookie Users
(Among Female Homemakers)



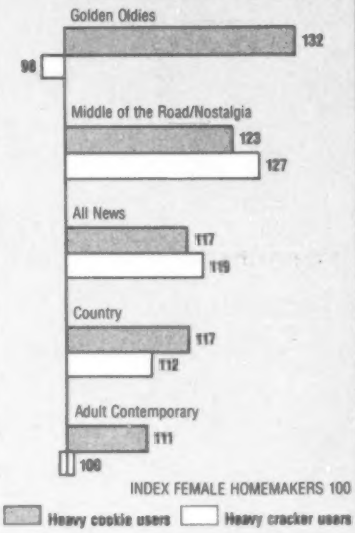
COMPARATIVE
TV Program Preferences Among
Heavy Cookie & Heavy Cracker Users
(Among Female Homemakers)


Sunday news 133 111
Golf 136 132
Late night movies, drama 128 107
Tennis 123 127
Daytime dramas 122 100
Entertainment specials 117 111
Evening network news, Mon.-Fri. 113 118
Feature films, prime time 110 121
Late night evening Week-end network news 116 128
Daytime game shows 109 126
INDEX FEMALE HOMEMAKERS 100
Heavy cookie users
Heavy cracker users

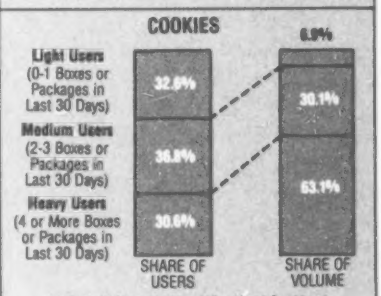
COMPARATIVE
Magazine Reading Preferences
Heavy Cookie & Heavy Cracker Users
(Among Female Homemakers)



COMPARATIVE
Radio Format Preferences
Heavy Cookie & Heavy Cracker Users
(Among Female Homemakers)

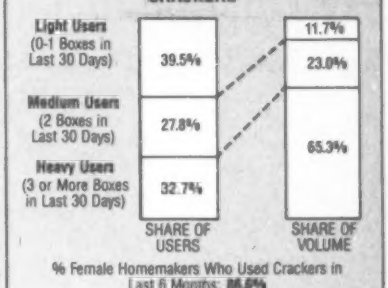


COOKIES


Light Users (0-1 Boxes or Packages in Last 30 Days) 32.8% 6.9% 30.1%
Medium Users (2-3 Boxes or Packages in Last 30 Days) 36.6%
Heavy Users (4 or More Boxes or Packages in Last 30 Days) 30.6% 63.1%
SHARE OF USERS
SHARE OF VOLUME

% Female Homemakers Who Used Cookies in Last 6 Months: **68.3%**

CRACKERS


Light Users (0-1 Boxes in Last 30 Days) 39.5% 11.7% 23.0%
Medium Users (2 Boxes in Last 30 Days) 27.8%
Heavy Users (3 or More Boxes in Last 30 Days) 32.7% 65.3%
SHARE OF USERS
SHARE OF VOLUME

% Female Homemakers Who Used Crackers in Last 6 Months: **86.5%**

Source: Mediamark Research Spring 1987

SALES PROMOTION

by Russ Bowman

MAKING THE MOST OF THE MAIL

Way back in 1969 and the early '70s, for those who don't remember, free-standing inserts (FSIs) in Sunday newspapers were an exciting new development. Because they ran much less frequently and because there were, in the beginning, only two companies in the business, they were generally perceived as both exclusive and distinctive. Even as recently as the beginning of this decade, FSIs represented less than 20% of all U.S. coupon distribution.

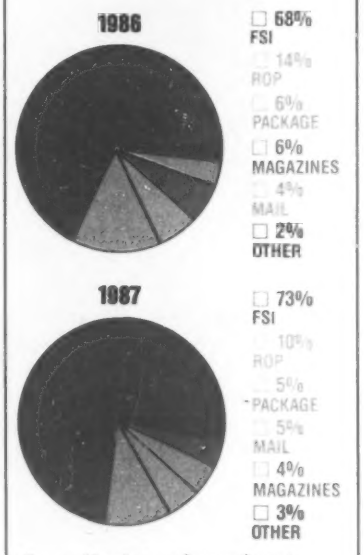
Then, boom! By 1987, they accounted for over 72% of coupon distribution. Such growth carries a price: The industry has created what many marketers consider "clutter," and although each individual FSI publisher offers product exclusivity in *his* insert, the net advantages disappear when there are three inserts on many Sundays.

In the initial years, redemption rates for FSI coupons were often in the 6%-7% range. Today they are closer to 4% and for many products, such as health and beauty aids, even less. And although the average CPM for space in FSIs has been decreasing over the years, many marketers are now searching for more effective alternatives.

Though it may not be obvious in view of FSIs dominating position in the couponing industry, direct-mail couponing is slowly but surely making significant in-roads. In fact, as seen in the pie charts above, its share of couponing increased from 4.0% in 1986 to 5.3% in 1987.

One of the major factors that has and will contribute to the growth of direct-mail couponing is computerized technology — more specifically, direct mail's ability to target and the growing interest of consumer product marketers in data-base marketing. Mike Cox, senior vice president of marketing and planning at Donnelley Marketing, comments, "The interest and the glamour of data-base marketing will favor the direct-mail business at the expense of FSIs."

COUPON SHARE BY MEDIA (%)



Source: Manufacturer Coupon Control Center (Div. Nielsen & Donnelley)

Targeting and selectivity are indeed the antithesis of mass delivery, and most of the coupon mail-distribution companies are emphasizing this advantage in order to attract more and more coupons from FSIs.

Direct-mail couponing is offering better targeting options than are found in FSIs.

When all is said and done, the combined efforts of several new salesforces promoting and selling one segment of the sales-promotion business over another historically results in a shifting of funds, which, depending on the success of some testing, could be "the start of something big," as they say in the song.

Positioning the Direct-mail Co-ops

The differences between one direct-mail program and another are becoming more apparent, and generally they are leading in the direction of greater selectivity/targeting.

The dominant force in mailed couponing programs, Donnelley's Carol Wright, remains the leader with the greatest number of participants to the largest circulation. It offers both geographic flexibility, demographic options and several special-market programs to Hispanics, senior citizens, teenagers, etc. Carol Wright mails 35 million pieces seven times each year and expands its distribution to 45 million three times a year.

Metromail Corporation's Red Letter Day coupon co-op has expanded to 31.2 million twice a year. Bill Young, vice president/national sales manager at Metromail, explains his business's place in the promotional mix: "FSIs are going to be around for a long time. They have their place as a vehicle for saturation distribution. Direct mail has its place too. With target marketing, a company can reach households with specific demographics as they relate to specific products. FSIs cannot."

Larry Tucker Inc. has moved its schedule up to four times a year and introduced a new way of positioning its expanded selection of demographic editions called "The Spectrum of American Life." It offers segments of 3.5 million new parents, 7 million households with pre-school children, 9.5 million homes with school age children, 5 million households with adults age 35-49 and two segments called

"Leisure Years" aimed at mature households with members over 50. President Larry Tucker is sure that "within the next few years, targeted mail distribution of coupons will definitely draw business from the shotgun approach of FSIs. Savvy manufacturers want more than relatively low redemption by millions of 'suspects.' They want to concentrate on heavy-user families who buy more product more often. Today's list technology," Tucker continues, "allows us to identify and reach the best prospects — known mail-responsive households — by current name and address."

Advo's Mailbox Values®, the nested, insert-type format, continues its delivery to over 40 million households and recently announced a "special event" mailing supporting the Child Welfare League of America.

This program, entitled "Support the KIDS" (Kindness is Doing Something Special), is a combined effort between ADVO and 75 notable cartoonists to raise $1.5 million for the CWLA. The promotion will run in Mailbox Values® in August 1988 during the back-to-school season to 47 million households.

Three other direct-mail programs are built around each company's ability to individually code coupons so that they can be tracked after they are redeemed, thereby building an information/purchase history data base to specifically target customized incentives. In this specialized category of direct mail, two relatively small-sized companies will eventually be taking on the American Express Company. Computerized Marketing Technologies' plan, Select & Save Plus, is built on Select & Save's master data-base file of 25 million households, with demographics, response data and product usage. Starting with a winter 1989 mailing, Select & Save Plus will go to 10 million homes, allowing marketers to send high-value coupons to non-users and lower-value coupons, or continuity, refund-type incentives, to users.

American Express's plan, set for a test in August of 1988, involves individually coded "Express Certificates." The certificates can be deposited by a retailer because they clear through the Federal Reserve System. Redemption and purchase data will be compiled and analyzed. "We have been concentrating on consumer targeting and individual redemption analysis, and we feel certain we can produce optimized response rates for packaged goods," says William Esslinger, vice president market development of the Travel Related Services division of American Express Co.

Act Media, the Darien, Conn.-based company that made advertising signs on shopping carts famous, will test their Act Direct program in June with 20 brands, utililizing the list expertise of National Demographics & Lifestyles. Once again their unique offering will be individually coded coupons that will be analyzed by a redemption clearing house set up for their program. The first test in 1988 will go to 2 million homes, followed by 10 million in 1989 and 35 million in 1990. Bill Cargill, vice president of sales, who will manage the new property for Act Media, calls his plan "direct mail with a technology edge." Act Direct will also launch a new retail tie-in direct-mail co-op with the Eckerd Drug Chain in January 1989.

WHO'S MAILING WHAT

Company	Program	Maximum circulation (millions)	Annual frequency
Donnelley	Carol Wright	45	10
Metromail	Red Letter Day	31	2
Larry Tucker Inc.	Supermarket of Savings	37.5	4
Advo System	Mailbox Values	47	18
CMT*	Select & Save	10	2
Act Media	Act Direct	(Test in 1988)	
American Express	Express Certificates	(Test in 1988)	

*Computerized Marketing Technologies

Source: Promotion Databank, Riverside, Ct.

ECONOMIC EYE

AN OLYMPIC JUMP

Broadcast Advertisers Reports revised their January 1988 figures to bring the cost of a spot in prime-time tv back to reality. As shown on the chart below, there was a significant increase in the cost of a 30-second spot in February, a jump that is most likely due to the Olympics.

MAGAZINE AD SCORECARD	Ad Pages April 1988	% change from April 1987	Dollars spent ('000)	% change from April 1987
1. Skin Care, Creams, Lotions and Oils	192.01	−0.7%	$ 7,072.1	+21.4%
2. Lip and Eye Beauty Products	110.50	+3.0	4,475.0	+21.4
3. Scents and Fragrances	237.59	+5.7	6,836.8	+12.3
4. Facial Makeup Products	116.97	+12.2	4,884.1	+65.4
5. Prepared Dinners and Entrees (including Pizza)	29.26	−29.8	1,816.9	−13.3
6. Liquor	268.95	+10.9	11,472.5	+8.5
7. Cigarettes	602.70	−9.9	33,617.7	+2.4
8. Soaps and Detergents	53.6	+34.0	3,544.1	+56.6
9. Passenger Cars, Domestic	483.45	+4.2	22,818.4	−5.4
10. Passenger Cars, Imported	560.99	+11.0	26,545.0	+15.9

Source: Publishers Information Bureau as prepared by Leading National Advertisers

MEDIA COST INDEX

1985 = 100

	1987 July	% change	Aug.	% change	Sept.	% change	Oct.	% change	Nov.	% change	Dec.	% change	1988 Jan.	% change	Feb.	% change
Network TV																
Daytime	98	−5	85	−11	83	−11	97	−6	91	−8	82	−4	92*	0*	80	−7
Nighttime	109	+2	113	+5	106	−0	110	+6	115	+8	111	+2	112*	+5*	148	+41
Spot TV																
Prime time	138	+10	126	+4	124	+18	123	+3	123	+6	123	+6	–	–		
Daytime	108	−4	117	+7	102	+3	112	+2	113	+2	105	±0	–	–		
Network radio	102	−0	104	−1	106	+2	122	+6	112	+6	106	+6	147*	+6*	129	−7
Spot radio			103	+5					112	+9					106	+3
Consumer magazines	109	+3	109	+3	109	+3	109	+3	111	+4	113	+5	114	+5	115	+5
Natl. Sunday mags	103	+7	113	+7	118	+14	106	+12	106	+12	106	+12	117	+13	116	+13
Business publications	111	+5	111	+5	111	+4	112	+5	113	+5	113	+5	117	+5	117	+5
Newspapers	115	+7	115	+7	115	+7	115	+6	115	+6	116	+7	124	+7	124	+7
Outdoor	114	+6	114	+6	114	+6	118	+12	118	+12	118	+12	123	+11	123	+11

Notes: Percentage shown is relative change from the same month/period the year before.
*Revised by BAR

Sources:
Nighttime Network TV—Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.
Daytime Network TV—Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.
Network Radio—Cost per average 30-second radio announcement from BAR's Network Radio Service.
Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.
National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.
Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per column inch of a sample of 784 newspapers weighted to represent the universe.
Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.
Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.
Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.